



THE INDEPENDENT

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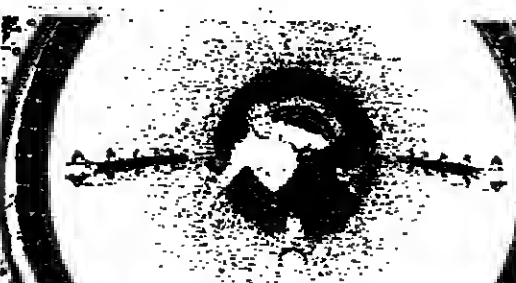
WEATHER: Unsettled

(R 45p) 40p



9 PAGES OF MUSIC
IN THE TABLOID

KISS: STILL ALIVE
AND LICKING



IN THE TABLOID

WOMEN
LOST IN
SPACE



COMMENT PAGE 21

SUZANNE MOORE:
WHAT ARE ACTORS
PLAYING AT?

The end of a grubby affair

Christian Wolmar
Westminster Correspondent

In a report that concludes one of the most shameful and grubby episodes in recent British politics, Sir Gordon Downey, the Parliamentary Commissioner for Standards, found two former Tory ministers guilty of taking envelopes stuffed with cash for asking questions in the Commons.

The long-awaited 900-page report by Sir Gordon had been ready for publication before the general election, but was delayed by John Major's decision to prorogue Parliament early. It turns out to be particularly damning about the behaviour of two former ministers, Neil Hamilton and Tim Smith, as well as being highly critical of three other ex-MPs.

Of Mr Hamilton, the former corporate affairs minister, Sir Gordon says that the evidence that he "received cash payments directly from [Mohammed] al Fayed [the owner of Harrods] for lobbying services is compelling." Mr Smith, too, accepted cash payments from Mr Fayed of between £18,000 and £25,000. Sir Gordon concludes that Mr Smith's conduct "has to be seen as a disingenuous attempt at concealment".

The two former ministers reacted very differently. Mr Hamilton, unrepentant, said he was "disappointed, devastated, perplexed and amazed" at the report's findings. But Mr Smith, who resigned just before the election as Tory candidate for Beaconsfield, said: "I am very sorry that my conduct fell well below the standards expected of MPs. I can only say in my defence that it seemed less obvious at the time than it does with the benefit of hindsight what was the right course of action to take."

Martin Bell, the independent MP who defeated Mr Hamilton in the safe Tory constituency of Tatton, said the report vindicated his decision to stand in the seat. The BBC also confirmed last night that Mr Hamilton was still asking for cash for questions by demanding £50 to do interviews.



Unrepentant: Neil and Christine Hamilton in Westminster yesterday after reading the Downey report
Photograph: Brian Harris

West seat, was found by Sir Gordon to have received undisclosed payments of cash from Ian Greer, the lobbyist. He was also found to have "raised a select committee of MPs" and "persistently failed to declare his interests in dealings with ministers".

Sir Andrew Bowden, who lost Brighton Kemptown in May, "failed to declare interests in dealings with ministers and officials over the House of Fraser", and in one case "gave a misleading explanation" for his lobbying. He also failed to register a donation to his election campaign.

Michael Brown, who lost Cleethorpes, "persistently and deliberately" failed to declare his lobbying interest for a tobacco firm when dealing with ministers and officials.

Sir Peter Hordern, who stood down at Horsham, was only mildly rebuked for having broken the spirit of the rules but was cleared of accepting cash for questions. Four other ex-MPs who received money from Mr Fayed were exonerated: Norman Lamont, Lady Olga Maitland, Gerry Malone, and Nijm Durr. Sir Gordon also said that the rules governing the registration of election donations should be reviewed.

The former MPs have two weeks in which to challenge the findings of the report and then it will be up to the 11 members of the Commons Standards and Privileges Committee to decide what action to take. As the men concerned are all now out of Parliament, possible sanctions are limited but the committee could theoretically recommend to Parliament that they send them to prison or ban them from standing for election. However, one source close to the committee said: "They will never get back into public life. That is sufficient punishment."

Below standard, pages 4, 5
Leading article, page 19

Mr Hamilton vowed to continue fighting and said that he would go to the courts "if he could find the money" to clear his name. Alan Barnes, the constituency chairman in Tatton last night announced his resignation.

William Hague, the Tory leader, failed to distance himself from those criticised in the report, saying: "The individuals concerned will wish to consider how they respond to Sir Gordon Downey's serious findings. The Conservative Party wishes to see such matters fairly and rigorously dealt with."

Some Tory hackbenchers were aghast at the feeble response from Mr Hague. One told *The Independent*: "William should express strong views

about how to deal with the rogues and liars. We lost the election because people didn't believe us, and he has to take a stand, but he is in danger of making the same mistake as Major. This was a significant sample of Tory MPs in the last Parliament."

Labour sources moved quickly to make political capital

out of Mr Hague's stance, contrasting his failure to act with Labour's quick distancing from its two MPs facing disciplinary charges, Mohammed Sarwar and Bob Wareing. "This is a big test for Hague, he should ensure these people are booted out of the party," one source said.

Liberal Democrat Charles Kennedy, a member of the

House of Commons Standards and Privileges Committee said: "The sad truth is that on the part of a number of MPs there has been disingenuous and dishonest behaviour."

The strongly-worded nature of the report vindicates the *Guardian*, which leaked parts of it before the election in clear contravention of parliamentary

procedure. The editor of the *Guardian*, Alan Rusbridger said last night that the paper's publication of extracts prevented the election of several of those involved in the affair.

The report was critical of four other former Tory MPs who faced allegations of misconduct. Sir Michael Grylls, who retired from his Surrey South

Clinton begs for Ulster compromise

Colin Brown
Chief Political Correspondent

President Clinton last night made an 11th hour appeal to Loyalists and Nationalists to avoid a disastrous confrontation in Drumcree at the weekend, as Mo Mowlam, the Northern Ireland Secretary, grappled with the agonising decision over whether to let the Orange men's march go ahead.

With that decision hanging on a knife edge, the Ulster Secretary last night flew to Belfast for last minute talks with Lt-General Rupert Smith, the General Officer commanding British

troops in the Province, and Ronnie Flanagan, the Chief Constable of the RUC, about the risks of a bloody confrontation on Sunday, if the march is allowed to go ahead.

A decision could be announced today, but Ms Mowlam is expected to allow the residents of the Garvaghy Road in Portadown and the Orangemen more time to consider the appeal by President Clinton for restraint, and for a compromise to be reached.

"There have been very strong rumours that she will force it through, but no decision has been taken either way. She has

made it clear it is for the RUC chief constable to advise. If he decides it should be banned, she has the power to do so, but if he decides it should go ahead, she will support him," said one Government source.

Ms Mowlam earlier attended the first talks at Downing Street between Bertie Ahern, the new Irish Taoiseach, and Tony Blair, who also recognised that last hopes of securing a ceasefire from the IRA could rest on the outcome of the Drumcree impasse. Mr Ahern and the Irish Minister for Foreign Affairs, Ray Burke, upset Unionists in Belfast earlier this

week when they called for the march to be banned. "They are worried about the security breaking down, and civil war breaking out, but we have had civil war for a generation," said one Ulster Unionist MP.

Downing Street sources said the meeting was positive, and Mr Ahern praised the "tireless" efforts of Ms Mowlam to reach a compromise in Drumcree, but there were clear signs of tensions between Dublin and London over the decision. "They stated their position and we wanted them to understand the difficulty we have," said a Whitehall source.

Mr Ahern said it would be a "retrograde step" to use troops to force the march along Garvaghy Road past Drumcree Church through the predominantly Catholic area of Portadown, where tensions were rising on the front line. "We have to try to de-escalate the tension, understanding the protests of one side and the traditions of another," said Mr Ahern. "If it goes wrong, nerves will be tested, including my own."

Calling for "generosity" to be shown on both sides, the Irish Prime Minister cautioned against allowing the Drumcree confrontation to destroy the

peace process, in which he is supporting Mr Blair in insisting that the IRA must declare a ceasefire before they can join the talks, which are due to resume in September.

The Government broke off contacts with Sinn Féin after the killing of two policemen by the IRA, but officials have confirmed that Sinn Féin has sent the Government a note asking for clarification of the joint Anglo-Irish statement, and the Government is in touch with Sinn Féin through some form of contacts with officials. "We are aware of their general attitude," said the source.



Tim Henman after losing to Michael Stich in the quarter-final at Wimbledon yesterday. Photograph: David Ashdown

British tennis falls back to earth

Claire Garner

The sun set on Britain's hopes of a home grown finalist at Wimbledon this year at 5.44pm yesterday.

The fact that the "Greg v Tim" T-shirts had sold out to expectant spectators that morning said it all. The fans had been counting their Brits before they were hatched.

Henman was history - and as the crestfallen crowd fled out of the stadium they took refuge in another national obsession - the weather.

While Greg Rusedski, who lost 4-6, 6-4, 4-6, 3-6 to the unseeded Frenchman Cedric Pioline, could have been demoralised by the poor turn

out of fans for his match, Henman could have no such grievance. For everyone was well aware that Michael Stich, the German former champion who has announced his retirement, had nothing to lose and Henman, who would have become the first Briton to make the semi-finals since 1973 - four years before he was born - had everything to play for.

Before the match Stich had said that, while one could always be certain that in football the German would pull through when it came to the crunch, the same could not be said of tennis. But yesterday it never came to the crunch. Any parallel with the highly charged Euro 96 shoot out was redundant.

Rather, it seemed that Stich had a clear passage. He greeted the final score 6-3, 6-3, 6-4 by chucking his towels to the crowd. The Union Jack wavers were the first to reach out and grab them.

The British were indeed a fickle bunch yesterday. In the morning Rusedski was championed as their own but once he lost the fans were quick to disown him. As one steward remarked: "If he had won he'd have been British, now that he's been knocked out he isn't British any more."

When Rusedski walked on to the court at 11.03am only one third of the 11,500 seats were occupied. An hour later the court was only half full. The reasons

given were various. A spokesman for the All England Tennis Club said: "We like the place to be humming but people have to make their own arrangements and we can't influence people to get here."

Boris Becker, three times the Wimbledon champion, will not be returning to the Championships. The German was beaten 6-1, 6-7, 6-1, 6-4 by Pete Sampras in the quarter-finals yesterday and announced it was his last match at the All England Club.

"That's it for me," he said. "My last time at Wimbledon. I think it's a good moment for me to go. I just don't feel I have what it takes to win a Grand Slam any more."

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Burton quits Burma
The Burton Group said it was severing its links with Burma yesterday, just before a *Newsnight* documentary was due to document its ties to the country. Page 14

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GOT THE DISTANCE

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Government in Lords defeat over Referendums Bill

The Government last night suffered its first defeat in the Lords, when Tory peers forced a change in the Referendums Bill to require the referendums in Scotland and Wales to be held on the same day.

The defeat, by 101 to 94, a majority of seven, during the committee stage of the Bill could be overturned when it returns to the Commons but that would risk delay, which the Government can ill afford. The referendums are due to be held in September.

It put a hole in the Government's strategy for building up momentum to encourage a "yes" vote in Wales. The Government wanted to hold the Welsh referendum after the Scots had voted on a Scottish Parliament, and it may decide to overturn the Lords' decision, when the Bill returns to the Commons.

The defeat will also fuel demands for an early move by the Government to end the rights of hereditary peers to vote in the Lords. Tories had so far been restrained in using their dominance of the House in the face of Labour's pledge to abolish hereditary peers' voting rights.

Colin Brown

Cleared prison chief resigns

The chief executive of Ashworth top security hospital has quit her job even though an independent inquiry gave her the all-clear, it emerged today.

Janice Miles, 48, was suspended from her post on 7 February after the then Health Secretary Stephen Dorrell announced the investigation into alleged paedophile activities and drug abuse at the complex in Maghull on Merseyside.

The hospital authority had ordered its own inquiry into the allegations and it put Mrs Miles, who joined the hospital as general manager in 1993, in the clear. Mrs Miles still intends to give evidence to the judicial inquiry, which begins in November after preliminary hearings in August and October.

Jojo Moyes

BA cabin crew consider strike offer

Leaders of 9,000 British Airways cabin crew were last night considering proposals from the airline aimed at averting a three-day strike beginning next Wednesday. While stewards and stewardesses were protesting over the imposition of a new pay structure, talks continued between the airline and representatives of 9,000 ground staff who are threatening industrial action in a separate dispute over the sell-off of the catering division.

Meanwhile, Richard Branson's Virgin Atlantic yesterday unveiled the airline's new logo (pictured) — the Union Flag which BA dropped from the tailplanes of its aircraft last month. The new logo, which will appear at the front of Virgin aircraft, was unveiled on a Boeing 747 at Heathrow airport.

Barrie Clement



Lord Irvine helps blind magistrates

A long-standing campaign for blind people to be allowed to serve as magistrates paid off yesterday as Lord Irvine, the Lord Chancellor, announced he was seeking to appoint a pilot complement of six over the next 12 months.

The move was welcomed by the Royal National Institute for the Blind. Chairman John Wall, the only blind person in Britain to hold part-time judicial office in pre-trial High Court hearings, said: "Blind people can judge as well as their sighted peers, especially as they will not be distracted by irrelevant considerations such as a person's appearance."

Patricia Wynn Davies

Channel 5 plans major relaunch

Channel 5 is preparing for a major programming and advertising relaunch in September. Dawn Airey, the channel's programming director, has confirmed that the "stripped and stranded" format of her shows will be watered down and a number will be scrapped or radically rejigged in the autumn.

There will also be a fresh marketing campaign to encourage people to tune in to the channel because another swathe of transmitters will be turned on in September. Both the programme relaunch and marketing push are timed to coincide with the increased viewing all television gets in the autumn.

Paul McCann

Builders' threat to Opera House

Leaders of 40,000 construction workers yesterday threatened indefinite strikes at prestige projects including the Tate Gallery, Royal Opera House and the Millennium Dome in a dispute over pay.

The target sites, which also include the Newbury Bypass and the Channel Tunnel Rail-Link, could be hit by stoppages from 5 August, and plans drawn up by the Transport and General Workers Union and the GMB general union.

The Construction Confederation, the employers' group, is seeking a long term agreement on pay of up to four years, although unions are now attempting to thrash out a deal for this year.

Barrie Clement

End of the road for Ladas

Russian-built Lada cars have finally reached the end of the road in Britain. It was confirmed yesterday. Seventy jobs will be lost at the company's Humberside import centre after a rescue attempt failed.

No more new cars will be imported, but Lada owners, thought to number about 100,000, will still get parts and servicing through UK dealers. Often the butt of jokes, the Lada has actually proved quite popular in Britain since it went on sale in 1973.

people



Mrs Parker Bowles: PR professionals are said to be advising her and the Prince of Wales

TV plays role in campaign to rehabilitate Camilla

A Camilla Parker Bowles propaganda campaign will hit something of a peak this weekend, with the broadcast of a sympathetic documentary about the Prince of Wales's "special friend" on Channel 5, and an episode of BBC1's *Heart of the Matter* exploring the implications for the Church of England of a marriage between the two.

According to the maker of the Channel 5 documentary, Mrs Parker Bowles's biographer, Christopher Wilson, the film was made against the wishes of the Prince's office at St James's Palace, although it has not denied that a "Camilla campaign" is in full swing.

The two programmes come just two weeks after the *Daily Mail* splashed with the headline "Charles and Camilla: could they marry?", which quoted "friends" of the couple speculating that public opinion had softened in favour of a marriage that would avoid Camilla being called Queen.

Royal correspondents for the tabloid press admit that the sources for a number of pro-Camilla stories are professional public relations experts who are advising the couple with the complicity of St James's Palace. These include one unpaid advisor from Sir Tim Bell's PR agency, Lowe Bell Communications.

The re-making of Mrs Parker Bowles began in April, when she posed for her first official photograph, as a patron of the National Osteoporosis Society.

Paul McCann

Tracie Andrews trial told of row before murder

The jury in the trial of Tracie Andrews, accused of the murder of her boyfriend, Lee Harvey, yesterday heard a nine-year-old girl tell police that she had heard two people arguing outside a house beside the murder scene.

The child, who cannot be identified for legal reasons, said in a videotaped interview that she believed the two voices belonged to a man and a woman.

Andrews' version of events is that her boyfriend was murdered by another man in a road-rage attack.

The little girl was staying in Coopers Hill in Worcestershire, on 1 December last year, the night Mr Harvey died from more than 30 stab wounds.

"I woke up. I heard some people talking outside. It sounded like two people and there was definitely a man. He was shouting and it sounded as if they were arguing," she said.

She added: "I didn't hear what they said but they were definitely having an argument. I didn't hear the other voice because it was softer than the man's voice."

Earlier, the court heard Susan Duncan, a local resident (above), tell how Andrews had been unable to describe the alleged assailant's car. "She was covered in blood. It was all over her face, all over her hair, and all down her top ... What she was saying to me sounded



very just disjointed at that time. I asked more questions. I asked her about the other vehicle, I asked her if she had seen the colour of the vehicle. She said 'no'."

"I asked her if she has seen the make of the car and she said 'no'."

"I asked her if she had seen any part of the registration number — a letter or a number — and she said 'no'."

Andrews, 28, of The Becks, Alvechurch, Worcestershire, denies murdering Mr Harvey. The prosecution claims that she launched a vicious attack on him as they drove home from a pub.

But Andrews told police that they had been chased along country lanes by another vehicle and that Mr Harvey was murdered by a man who was passenger of the mystery vehicle.

Jojo Moyes

Woman's bone marrow may not help dying sister

A woman who overcame her fear of hospitals to help save her dying sister has been told her bone marrow does not match.

Susan Squires and her sister, Angela Latham, both from Blackpool, did not speak for three years after Ms Squires refused to consider a transplant to help her sister fight leukaemia.

Doctors treating 34-year-old Mrs Latham had scoured a worldwide register of 4 million bone marrow donors before concluding that only Ms Squires, 39, could help.

Ms Squires finally agreed in April, after she was told she need not go to hospital. She gave blood samples at her home and "had come to terms" with the operation.

But tests showed the sisters' marrow was a "partial mismatch" and Ms Squires was only as suitable as an unrelated donor.

"She was as disappointed as I was with the results of the tests. After everything we'd gone through it was not what I was expecting," Mrs Latham said.

The mother-of-two has vowed to go ahead with the operation if possible, despite warnings of complications. She is now waiting on advice from specialists at Manchester Royal Infirmary as to whether the transplant should go ahead.

"It's a case of weighing everything up. All we can do is wait."

Jojo Moyes

briefing

EDUCATION

Universities should scrap degree classifications

Universities should move towards replacing the traditional honours degree classifications with a pass/fail system to iron out variations in degree standards, according to an influential report.

The study, published yesterday by the Higher Education Quality Council, concludes that a minimum "threshold standard" for degrees would help ensure consistency, reassuring students and employers.

Though universities, like cars, varied widely in type and purpose, they could all be obliged to pass common quality standards, the HEQC said.

The Graduate Standards Programme, launched three years ago amid mounting concern that rapid expansion in higher education had led to an overall decline in standards, confirmed that degrees in different universities and subjects were not comparable. There were now very few people who believed that "a degree is a degree", said Peter Wright, project director.

The idea of threshold standards for degrees was popular both in higher education and outside, the report found. Academics saw the system as a way of guaranteeing accountability in the eyes of the public, while students wanted to be sure of quality, particularly if they had to contribute financially towards their courses.

However, the HEQC study concluded a threshold system could not be introduced until moves had been made to ensure more comparability between degrees, including stronger external examining. Common terminology was also needed to ensure diploma or a degree at various levels had the same meaning at all higher education institutions.

Lucy Ward

DRUGS

Ecstasy users suffer depression

Nearly three-quarters of ecstasy users feel they are suffering long-term negative consequences of their behaviour, with the most frequent complaints being depression and loss of concentration.

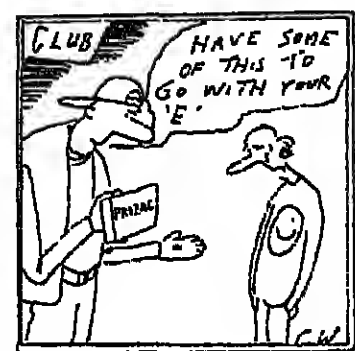
According to a survey of nearly 500 long-term regular users — defined as those who have used the drug at least once every two months for two years or more — found that people over 30 are more likely to get feelings of depression, and a third link this to their ecstasy use.

In a separate survey, doctors in accident and emergency departments said that ecstasy has now become the second most common drug in terms of patients presenting adverse reactions to illegal substances.

Practically all of the users interviewed for BBC Radio 5 Live's Young Britain season said that they had at some point taken ecstasy with another drug. Six out of 10 said they always mixed ecstasy with another drug, the most common being

amphetamines, cannabis, alcohol and LSD. And despite the fact that three-quarters of all ecstasy users owned up to concerns about ecstasy's long-term effects, only one in 20 said they would not take the drug again.

Glenda Cooper



HOSPITALS

Denial of care costs 2,500 lives

More than 2,500 people may die every year — a similar number to those killed in road traffic accidents — because they are being wrongly turned away from intensive care units, according to a new study.

Patients who were turned away from hospital intensive care units because of bed shortages were 60 per cent more likely to die than those who were admitted, said researchers from the London School of Hygiene and Tropical Medicine writing in the *Lancet*.

The study, the first of its kind in Britain, examined six intensive care units over a three-month period and compared the death rates of patients who were refused admission because of lack of facilities with those who were treated.

Researcher Alison Metcalfe and her team found that 165 of the 650 adult patients who were eligible for admission were turned away.

When they followed the cases up, three months later, they found that 37 per cent of those who were admitted to intensive care, and 46 per cent of those who were denied admission had died. They concluded that the potential excess risk for those who were not admitted was 60 per cent.

Glenda Cooper

POLICE

Complaints threaten confidence

Increasing numbers of complaints of sexual and racial harassment by police officers against their own colleagues is undermining public faith in the ability of the service to handle sensitive investigations, the Police Complaints Authority warned yesterday.

Launching the authority's 1996/97 annual report, Peter Moorhouse, the chairman, said the fact that three police authorities had voluntarily referred high-profile sex discrimination allegations for investigation suggested "an apparent inability within forces to manage gross disharmony between officers who should be colleagues."

The authority also highlighted continuing concerns about 'deaths in custody, calling for force doctors to possess skills in diagnosing psychiatric, drug or alcohol problems and for "urgent consideration" to be given to the introduction of closed-circuit television in at least one cell in police stations, so that high-risk prisoners could be kept under observation.

Patricia Wynn Davies

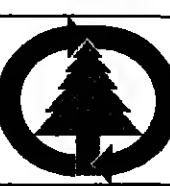
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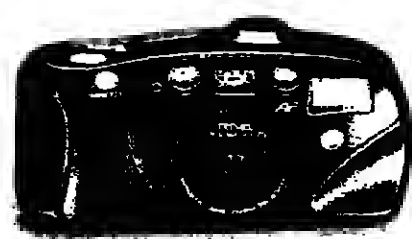


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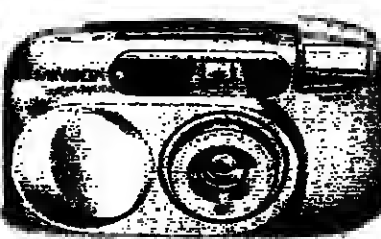
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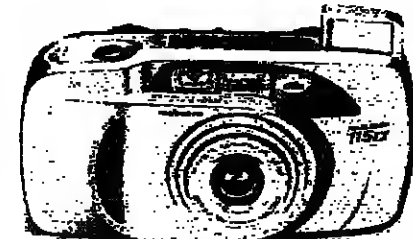
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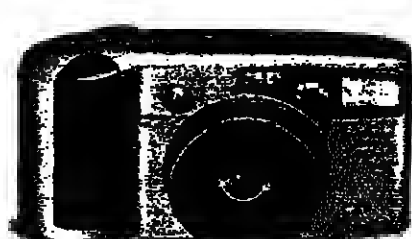
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The House of high fashion

The fresh intake of Labour MPs have provided a new model army for the glossy pages of *Elle* magazine

Alexandra Williams and Fran Abrams

Dressed in a classy range of trouser suits, short skirts and stilettos, the five formidable women are "sexy, stylish and spirited".

They embody the core values of *Elle*, the upmarket women's style magazine – but they are not the latest breed of professional model but members of Labour's new model army. Sumptuously spread over five pages, five Labour women MPs strut their stuff in the magazine's September issue.

The unprecedented number of Labour women MPs winning seats at the May election prompted the magazine's piece. Of the 101, Diane Abbott, Melanie Johnson, Caroline Flint, Shona McIsaac and Jane Griffiths escaped the Commons for a session as models in a top studio.

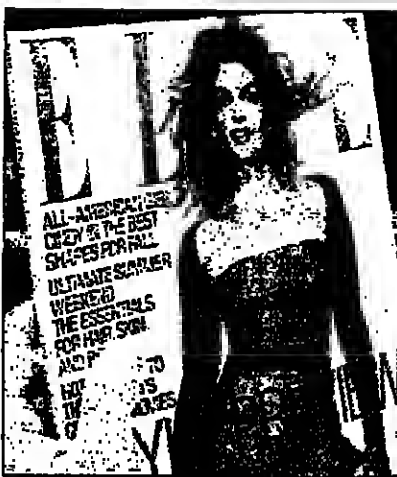
Fussed over by the fashion guru Iain R Webb, the women spent a day posing in front of the renowned photographer John Swannell's camera. But the magazine's photography director, Duane Ashurst, said: "These women are not fashion victims. They were a bit apprehensive at first but we assured them they wouldn't be modelling Versace ball gowns but instead smart day wear."

"In the main we chose the younger and ower MPs to the party and wanted a range of looks. We didn't want them all to have long blonde hair."

Swannell shot the black-and-white pictures two weeks ago in his studio in Camden, north London. But the magazine is keen to keep the pictures under wraps until nearer the publication date of 8 August. Mr Ashurst said: "We can't give too much away too soon – there has to be an element of surprise for our readers."

The clothing is very smart and the pictures are classic – the women look almost statuesque. They are smiling and up-beat.

The youngest model, the new Cleethorpes MP Shona McIsaac, 27, sports a pair of high spiked metal



Caroline Flint (right) and Jane Griffiths (above), two of the Labour MPs who have been photographed for the September issue of *Elle* (left). "These women are not fashion victims," the magazine's photography director, Duane Ashurst, said. "They were a bit apprehensive at first but we assured them they wouldn't be modelling Versace ball gowns but instead smart day wear"

Photographs: Nicola Kurtz



stilettoes and an above-the-knee skirt. Caroline Flint, 35-year-old new MP for Don Valley, sees the focus on fashion as a good way to reach the readers of women's magazines.

"If it were an angling magazine or an FA Cup magazine the focus would be different."

"But we are showing that as women politicians we share some of the same interests as other ordinary

women and I think that's good," she said.

The MP for Welwyn Hatfield, 42-year-old Melanie Johnson, said the five chose their outfits from a rack of clothes provided by *Elle*.

"I think there's quite a lot of interest in us as a group. There is a sense of change and of people finding out what that change means," she said.

Jane Griffiths, MP for Reading

East, was clad in a pin-striped wool suit for the shoot, and enjoyed the experience.

She said: "They definitely haven't made us look like models. It was a way of showing we were human beings."

Diane Abbott, Hackney North and Stoke Newington MP since 1987 and the only one in the group who was already an MP before the last election, did not think the exercise particularly significant.

"*Elle* wanted to take some photographs of Labour women MPs. I have had my photograph in magazines before," she said.

Elle is not the only magazine to have taken an interest in the new intake of women MPs.

Since the general election returned a total of 120 women to Parliament their profile has been constantly high.

Within the first week, Richard and Judy had three new Labour women on their morning show for a makeover.

The MPs have also featured in *She* and *New Woman*. *Good Housekeeping* ran pictures of 70 of the new breed with their pledges on what they would like to do for women.

Recording is too much like hard work

Ian Burrell

Britain's pop stars are rebelling against music business bosses who they say are working them too hard.

Bands are being asked to produce what they claim is an exhausting supply of bonus tracks, remixes and alternative B-sides for different record formats. They say the practice, used by record companies to boost singles sales, leads to sub-standard material being released and undermines the credibility of the charts by inducing fans to buy several formats of the same single.

In a statement issued yesterday to *The Independent*, representatives of some of the biggest

names in British music called for a radical shake-up of the record industry.

The announcement by the IMF, the organisation which represents British music management, follows a meeting of its council members at the Royal Albert Hall on Wednesday. Among them were the managers of George Michael, Skunk Anansie, Cast, Mansun, Inspiral Carpets, the Boo Radleys, Bryan Ferry, Paul Young and Robbie Williams.

The IMF said: "The creative strain of having to write and produce dozens of additional tracks at great cost combined with the time pressures of a hectic promotional schedule frequently leads to sub-standard material

being released across several formats to help maximise sales and achieve a high chart position." The group said it would be calling for major changes in the singles market when it meets shortly with officials from the British Phonographic Industry.

It is likely to call for a reduction to just two record formats for singles – probably CD and seven-inch single – with an A side and one B side. A separate 12-inch vinyl chart for dance music only is also likely to be proposed.

Currently it is not uncommon for the same single to exist on a 25-minute CD (four tracks), a second 25-minute CD (with the same A side and three different bonus tracks), and a 40-

minute CD (A side remixed several times). The same single could alternatively be released on cassette single (different bonus tracks), seven-inch vinyl (still different bonus tracks), and 12-inch vinyl (up to 40 minutes of remixes).

Robert Swerdlow, manager of Cast and Mansun, said that with each single bands were giving away almost an album of free material which was not covered by their contract. "When a band gets signed to a recording company it is for albums and singles alone," he said. "Now the record companies are getting free of charge an extra 16 tracks a year in their catalogue which they could use to put out a B-sides album or a box set."

And he added: "It is material that the bands are probably not happy with 100 per cent."

Single sales have enjoyed a huge revival in the last two years as record companies have increased their efforts to use them as a promotional tool for albums. Britons buy more singles per head than any other country – except Japan – and sales are greater than at any time since 1982. Nearly 50 million singles were sold in 1996, a rise of 23 per cent on 1995.

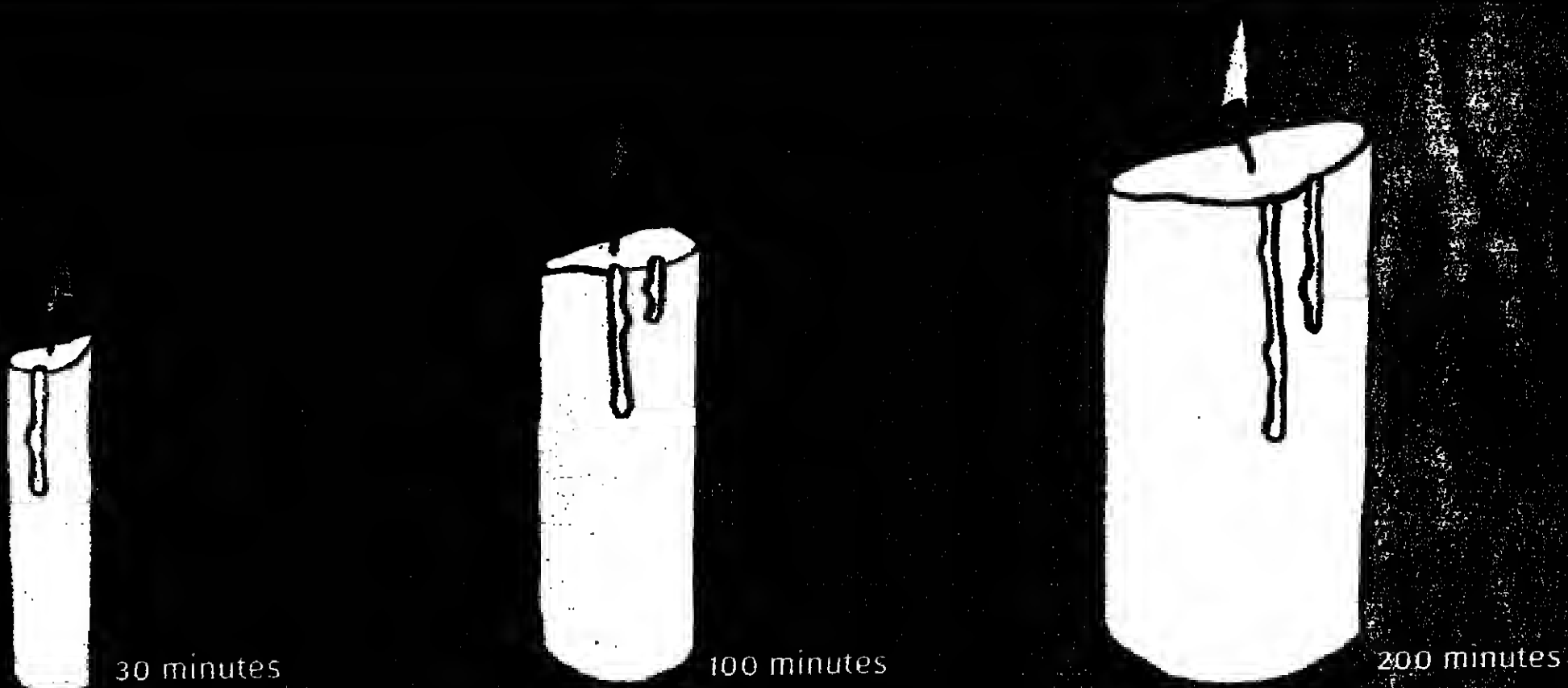
Many sales are achieved, however, because shops can cut prices after receiving singles free from record companies. Ian McAndrew, manager of the Brand New Heavies, said: "It gives a great advantage to major labels who can afford to give away a large volume of product but independent artists who wait their records sold at full price cannot compete."

Record industry sources said bonus tracks often involved little work from the band. "They can be live tracks, interviews or B-sides that have been recorded before," said one. "Bands should realise that no one makes money from singles which are a vehicle to draw attention, through radio, to the album."

David Hughes, of EMI, added: "The view of the public was that the capability of the CD was such that only giving them the old A and B side was not giving them value for money."



Protest song: Managers of artists such as George Michael (above) say they are being pressured to sanction sub-standard releases



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Five men who fell below the standards

Hamilton: cash and a stay at Ritz

Neil Hamilton:

Former barrister specialising in taxation, aged 48. Became MP for Tatton in 1983 but lost his seat to Martin Bell. Entered Parliament in 1983, became a government whip in 1990 and was corporate affairs minister from 1992 to 1994. The charges: That he took £10,000 from Ian Greer to lobby ministers and failed to declare it on the Register of Members' Interests or to the Inland Revenue. That he twice failed to declare free hospitality at the Ritz Hotel in Paris from the Harrods owner, Mohamed al-Fayed, and that he stayed at Mr Fayed's estate, Balnagown Castle, without declaring it. That some of the money was disguised as gifts of paintings and other items and that he also took thousands of pounds in envelopes

from Mr Fayed. That he deliberately misled Michael Heseltine, the deputy prime minister, about his relationship with Mr Greer.

Downey verdict: There was compelling evidence that Mr Hamilton received cash directly from Mr Fayed in return for lobbying services. Although the total amount was unclear it was unlikely to have been less than the £18,000-£25,000 received by Tim Smith. The way the payments were received and concealed fell well below standards expected of MPs.

Mr Hamilton deliberately misled Mr Heseltine, president of the board of trade, in 1994, when he said he had no financial relationship with Mr Greer. In a phone conversation he gave an absolute assurance that there was no such relationship, when in fact he had received two commission payments from him in 1988



Neil Hamilton: Downey said there was compelling evidence he had received money from Al Fayed for lobbying. Photograph: Brian Harris

and 1989, totalling £10,000. There was no evidence he received cash indirectly from Mr Fayed through Mr Greer, though he admitted taking payments from Mr Greer for other services.

Hospitality Mr Hamilton received from Mr Fayed at the Ritz and elsewhere was for lobbying and should have been registered. The Inland Revenue was not told of the two commission payments from Mr

Greer, and Mr Hamilton asked for payment in kind so the sums would not be taxable.

In 1990 Mr Hamilton deliberately gave the impression he had severed links with Mr Fayed but three months

later was still soliciting favours, in the form of a second stay at the Ritz. Mr Hamilton failed to register two introduction payments from Mr Greer in relation to United States Tobacco and the National Nuclear Cor-

poration, some of which he took in kind. But there was insufficient evidence to show that the UST payment was a disguised consultancy fee. He also failed to register hospitality from UST.

Mr Hamilton persistently and deliberately failed to declare interests in the House of Fraser and Skoal Bandits. His action in accepting a commission payment for introducing a constituent to Mr Greer and a consultancy fee for representing a constituent's interests were unacceptable.

A consultancy fee from Strategy Network International was not registered on the spurious grounds that Mr Hamilton had disposed of his interest within four weeks. An allegation that he accepted a paid consultancy from Mobil Oil in return for asking parliamentary questions was not substantiated.

Sir Gordon's report said Mr Hamilton seemed to harbour the misconception that a small gift represented a small obligation. "There is a general obligation on members to the effect: 'If in doubt, register.' Mr Hamilton seems to have adopted the opposite principle and, if in doubt, gave himself the benefit of it."

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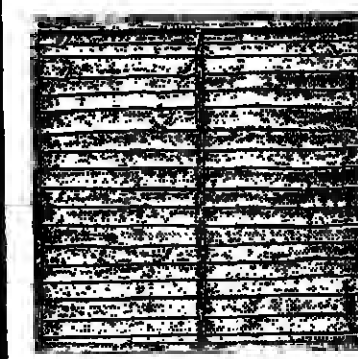


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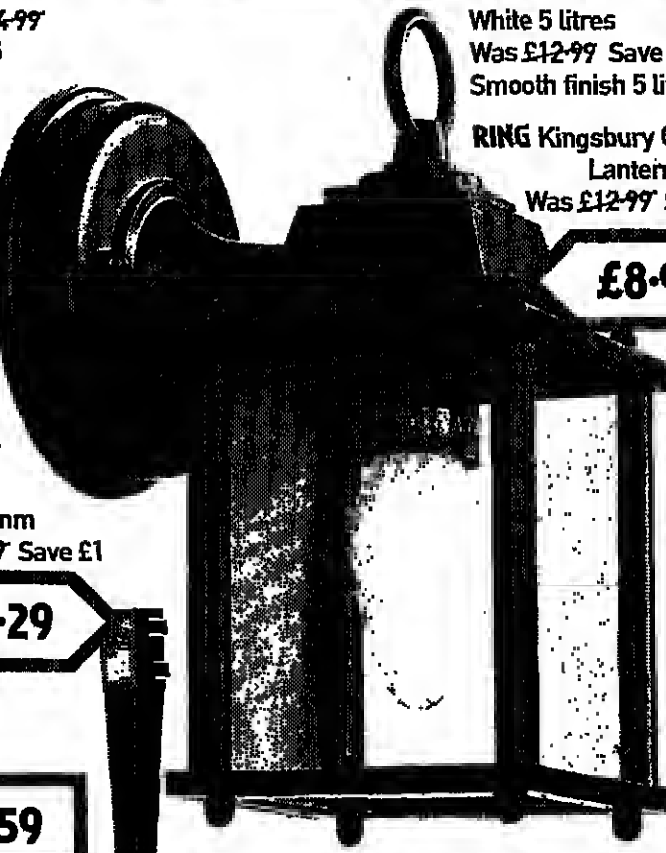
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Smith: accepted cash in return for lobbying

Tim Smith:

Conservative MP for Beaconsfield from 1982 until this year, when he was forced to stand down amid allegations of bribery-taking. Worked for Leon Brittan at the Home Office from 1983-85 and was a Northern Ireland minister from January to October 1994, but resigned when the cash for questions affair broke. The charges: That as chairman of the Conservative Trade and Industry Committee, he took bribes from Mr Fayed to ask questions about the takeover of the House of Fraser and to lobby ministers.

That in 1986 he was paid cash to arrange an adjournment debate in the Commons attacking the Observer and its owner, Tiny Rowland, for running stories against the Harrods owner. He declared the payments to the Inland Revenue but not to the registrar of members' interests. The verdict: Mr Smith did accept cash payments directly from Mr Fayed, of between £18,000 and £25,000, in return for lobbying. There was no evidence that he received cash from Mr Fayed via Mr Greer. The way in which these payments were received and concealed fell well below the

standards expected of MPs. The allegation that Mr Smith was paid to initiate an adjournment debate was not substantiated.

Mr Smith's financial interest in House of Fraser was only registered in January 1989, when it had been publicly exposed by Mr Rowland, and then only for a period of two and a half weeks.

"This has to be seen as a disingenuous attempt at concealment. On any view, this was a totally unacceptable form of registration by Mr Smith," Sir Gordon wrote. He also criticised Mr Smith for continuing to deny receiving cash payments. "This lack of candour by Mr Smith and the uncertainty over the total sums he received from Mr Al Fayed are matters of great concern. Mr Smith is a chartered accountant and I should have expected him to have more accurate records," he wrote.

The MP persistently and deliberately failed to declare his interests in dealings with ministers and officials over House of Fraser issues.

However, to his credit, he did eventually admit receiving payments, although not until he was asked in 1994. He also expressed his regrets for the non-registration and non-declaration of his interests.

Grylls: Misled committee over dealings

Sir Michael Grylls:

A former Royal Marine and son of a brigadier, he served as a Conservative MP for 27 years until he stood down in May, aged 63. Most recently was member for Surrey North West. The charges: That he was regularly paid by Ian Greer, and he abused his position on the parliamentary trade and industry committee to make profits. He failed to note his relationship with Mr Greer on the Register of Members' Interests and lied to the select committee on members' interests in 1990.

Downey verdict: Sir Michael took non-cash payments from Mr Greer, though it was not possible to conclude that they originated from Mr Fayed. However, he did actively participate in lobbying campaigns organised by Mr Greer.

The MP deliberately misled the select committee on members' interests in 1990 when he seriously understated the number of commission payments he had received. He also omitted to inform them of other fees he received from Mr Greer. Sir Gordon was particularly critical of Sir Michael's failure

to tell the committee about his full dealings with Mr Greer.

The committee's report, which concluded that there had been "no clear infringement of the rules," would have been quite different if it had known all the facts, he said.

"In his evidence Sir Michael had omitted altogether to refer to the direct, regular payments received from Mr Greer or Ian Greer Associates which had the effect of putting Sir Michael on an annual, but undisclosed, retainer with the lobbying organisation. I believe the concealment was deliberate."

Sir Gordon also concluded that when meeting ministers and officials to talk about the affairs of the House of Fraser, Sir Michael persistently failed to declare his interest in Mr Fayed's affairs.

Sir Michael also accepted a commission payment from Mr Greer for introducing him to Charles Church, whose property company had its headquarters in his constituency. This was unacceptable, though there was insufficient evidence to show that Sir Michael solicited business for Mr Greer in expectation of commission payments.

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هنا من الأدلة

Scandal that changed the face of politics

Certainly, without Mr Fayed's information, Mr Hamilton, Mr Smith and the rest would probably still be respectable MPs: Jonathan Aitken, who was also downed by Mr Fayed's information might be the Tory leader, and Ian Greer Associates would still be advertising its wares

Mr Fayed poured cash into Ian Greer Associates, which was disbursed to 40 mainly Tory MPs for election expenses – not, in itself, against the rules. He was also generous in his hospitality, particularly to Mr Hamilton, who ran up a bill of £4,221 at the Paris Ritz in September 1987.

Mr Fayed wanted to be a British citizen, but his application was being blocked. He couldn't understand why all the money he had paid out had not reaped any



Requies gallery: (From left) Tim Smith, Michael Brown (top), Andrew Burden and Sir Michael Gvills, who were condemned in the Downey report

20 are
cleared
by the
findings

The others who had no case to answer were: Robert Atkins, Alan Beith, Vivian Bendall, John Bowis, Sir Graham Bright, Nirj Deva, Sir Anthony Durant, Gwyneth Dunwoody, Doug Hoyle, Norman Limont, David Mellor, Michael Portillo, David Shaw, Chris Smith, Sir Malcolm Thornton, Sir Gerard Vaughan and Sir John Wheeler.

Bowden: Did not declare

Former businessman and MP for Brighton Kemptown since 1970, now aged 67. Lost his seat to Labour on May 1 this year. Knighted in 1994, but was never promoted to ministerial rank.

The charge: That he took more than £5,000 from Mr al Fayed, through Ian Greer, towards his election funds, in 1987, and that he did not declare all of it.

The verdict: The election doation of £5,319 from Mr Greer was intended as a reward for lobbying and Sir Andrew probably knew it came originally from Mr Fayed. He had maintained that he did not know the money came from Mr Fayed.

However, there was insufficient evidence to substantiate the allegation that Sir Andrew received, or demanded, cash payments from Mr Fayed in return for lobbying services.

The MP failed to register this donation. He also failed to declare his interests in dealings with ministers and officials over House of Fraser, and in one case gave a positively misleading explanation for his representations.

Mr Bowden also received lecture fees from Mr Greer which were entered in the Register of Members' Interests, and although the source was not identified this was probably adequate.

Brown: Failed to register

MP since 1979, first for Brigg and Scunthorpe and since 1983 for Brigg and Cleethorpes. Lost his seat to Labour on 1 May. The only openly gay Conservative MP, he was a minister for trade and industry, Northern Ireland and foreign affairs between 1989 and 1993.

The charges:
That he took £6,000 from Ian Greer Associates for work on be-

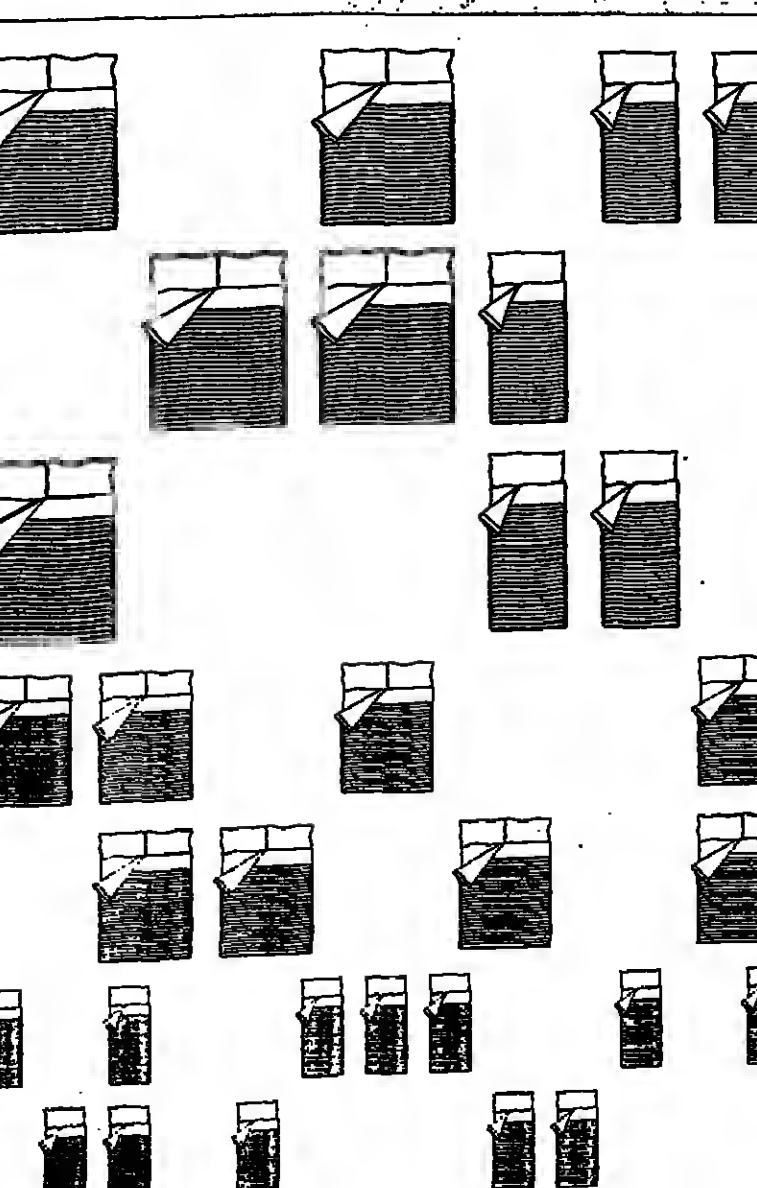
half of US Tobacco, and that he did not declare it in the Register of Members' Interests or to ministers, and that he did not pay tax on the money until the payments became publicly known. **The verdict:** Mr Brown failed to register an introduction payment from Mr Greer on behalf of US Tobacco. He also persistently and deliberately failed to declare an interest in Skoal Baddits in his dealings with ministers over the issue. He did

not immediately declare the payment to the Inland Revenue. He accepted that they should have been declared and apologised for not doing so.

Mr Brown had lobbied, along with Mr Hamilton, against the banning of Skoal Bandits, which were believed to cause mouth cancer. Mr Brown also received a free flight to Connecticut to be briefed by the company.

However, he did list this in the Register of Members' Interests.

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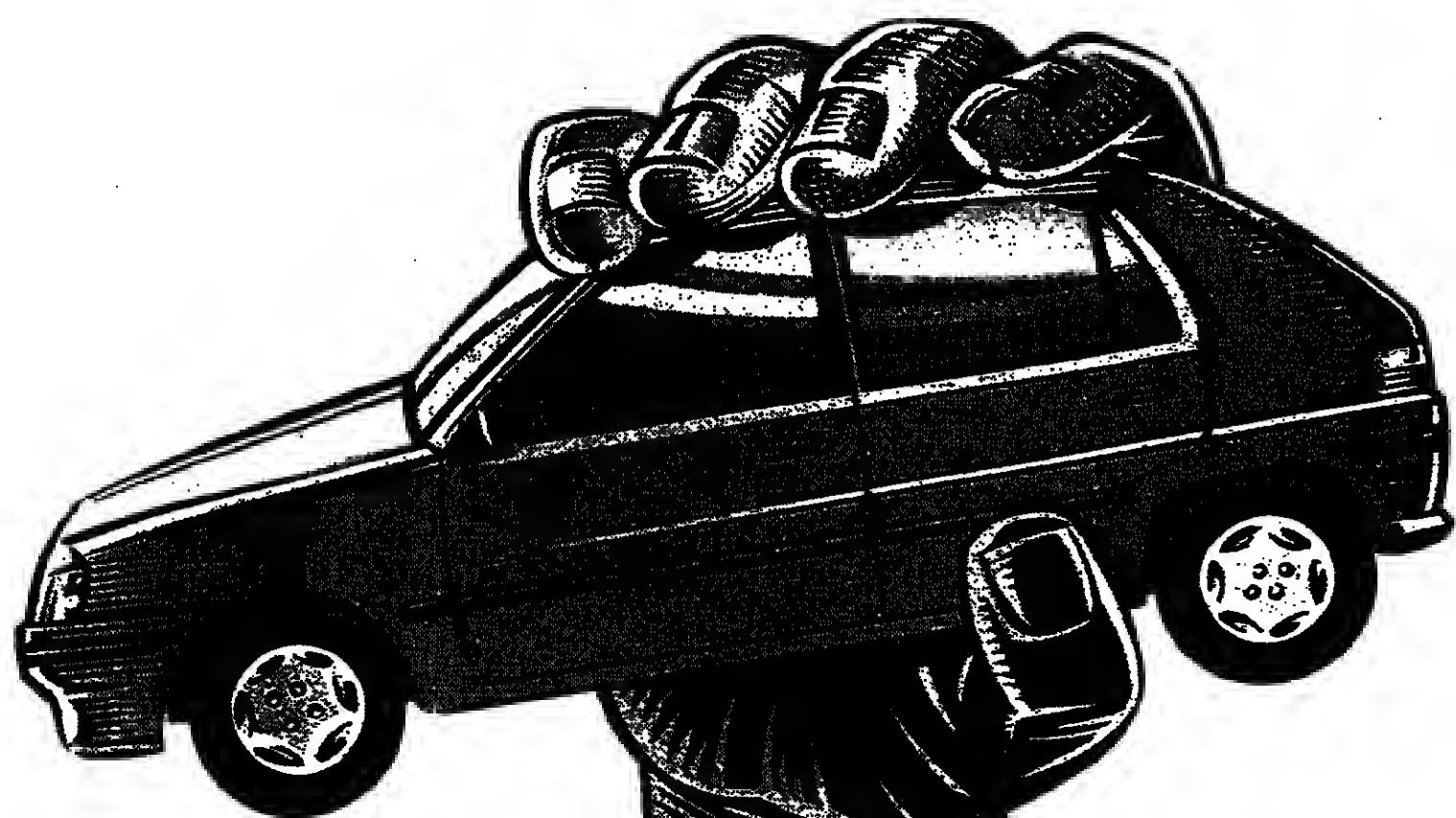
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Flak for Sainsbury's in battle of the breast

Louise Jury

Around 40 breast-feeding counsellors resigned in tears from the National Childbirth Trust yesterday after the charity voted to accept sponsorship from Sainsbury's, which sells its own baby milk substitute.

Many more are expected to follow in protest at the deal with the supermarket chain which they claim contravenes World Health Authority guidelines on the independence of health workers and the charity's own principles.

An extraordinary general meeting of the trust, which promotes breast-feeding and natural childbirth, was called by rebel members unhappy that trustees had taken the supermarket's money without consulting the 55,000 members.

The decision followed a move to raise subscription levels which had also upset supporters who feared the higher rate would confirm the charity's image as a white middle-class organisation.

At an emotional meeting in Acton town hall, west London,

dozens of counsellors and ordinary members accused trustees of a lack of democracy and of abandoning what the trust had always stood for.

Sainsbury's is the only leading supermarket chain to produce an own-brand formula, and the rebels claim that accepting sponsorship could be viewed as endorsing that brand. But despite significant support in the hall, the rebels failed to win over more than 3,000 members who had already voted by post.

Leah Granat, a counsellor from Glasgow who also tutors other counsellors, said she had been offering independent information to mothers for 10 years. "Accepting money from a formula milk manufacturer totally compromises that position. It's very sad," she said.

Sheila Perkins, who resigned as chair of the trust's breast-feeding promotion group when the sponsorship was first revealed last November, announced she was resigning as a member, counsellor and tutor altogether. "Information has been suppressed," she said.



Caroline King, a member who had called for all subscription fees to be approved by members, said there were concerns about the way the voting

had been run. The council of trustees had sent four pages opposing the rebels' resolutions with the voting forms. But the rebels, who paid for their own

campaign, had not even been permitted to have a membership list of people to contact. However, she said the trustees had now heard the strength of

feeling. "It's over to them to demonstrate by their actions the future of the National Childbirth Trust."

Ruth Stone, the trust's chair, said she regretted the resignations, but believed the NCT would be stronger as a result of the debate.

"I really feel that the NCT is moving into a whole new phase of its development. If they don't feel comfortable with that, they have to follow their conscience."

'Disappointed': Mary Broadfoot led the tearful resignations of more than 40 breast-feeding counsellors from the National Childbirth Trust

BMA conference: Doctors' key vote

Euthanasia rejected 'for time being'

Jeremy Laurance
Health Editor

Deliberately ending the lives of terminally ill patients who request euthanasia is an admission of defeat and should have no place in medical practice, doctors decided yesterday.

There is no suffering so great that it cannot be eased by modern drugs and medical techniques and there is consequently no justification for doctors to discard their caring role and become state licensed killers, the BMA said.

However, the association's annual conference in Edinburgh agreed by a narrow majority to include the words "for the time being" in a motion opposing euthanasia, signalling its intention to return to the issue in the future.

'We are doctors. Our function is to heal and comfort, not to dispose of people'

In a powerful debate, doctors described how they had been pressed by both patients and relatives to end lives with lethal doses of drugs.

Dr Fay Wilson, a GP in Birmingham, said: "However much I want to help with their suffering I wasn't able to kill them. We are doctors. Our function is to heal and comfort, not to dispose of people."

She said patients who had requested euthanasia had later thanked her for refusing when their condition had improved.

Dr Jane Orr, a Surrey GP, said: "Bad deaths do sometimes occur but that is due to bad medicine. The answer to bad medicine is not to kill people but to create good medicine."

Some speakers argued that it was arrogant for doctors to decide the issue alone and called for a royal commission on euthanasia. A ballot of 900 doctors in Worcestershire, to which 300 replied, found a third were

in favour of a change in the law to permit the practice and a third said they would assist a suicide.

Dr Michael Stuart, a GP in Southend and a founding member of The Association of Palliative Care, described the case of a man with cancer in his spine who was unable to walk and was admitted to a hospice where it was expected he would spend his final days.

"He was terrified but we controlled his symptoms, he regained his confidence and he left the hospice walking," he said.

The man did not die until several months later - of a heart attack.

The conference was warned by BMA chairman Dr Sandy Macara not to jeopardise the doctor-patient relationship by voting for euthanasia.

"Patients see us as serving life not embracing death and we should do nothing to betray that trust," he said.

Earlier, an updated version of the 2,500-year-old Hippocratic Oath, drafted by the association's ethics committee, was criticised by the conference for being too long and too dull.

The oath, which pledges doctors to follow the medical ethical code, is supposedly sworn by students on qualification but fewer than half of medical schools follow the practice. The BMA has for two years been working on a new wording of the oath appropriate for use by doctors around the world.

Dr Hector Spiteri, a GP from Redbridge, said the new version, which is three times the length of the old, was too long to be sworn orally and included reference to issues such as abortion which made it unnecessarily contentious.

All that was needed could be said in two sentences: "The physician shall selflessly practise medicine for the sole benefit of the patient and shall avoid causing him harm. He shall do with respect, integrity and compassion and without any form of prejudice."

Dr Mark Porter from Coventry said that an oath suitable to be sworn by doctors for the next 1,000 years "sorely needs translation into poetry."

Two die from new type of CJD

Charles Arthur
Science Editor

Two more people have died of the "new variant" of the fatal Creutzfeldt-Jakob Disease (CJD), believed to be caused by exposure to "mad cow disease" or BSE. The deaths, in the past month, bring the total number of British victims of "vCJD" to 19, including one, Vicky Rimmer, who is still alive but in a coma.

The news will be a blow to both McDonald's and Burger King, which recently announced that they were reinstating British beef in their hamburgers.

They stopped using it in food in March 1996, after the Tory government was forced to admit that the most probable explanation for the new disease was exposure to the disease agent - which has never been isolated - that causes bovine spongiform encephalopathy (BSE).

The latest announcement, to be made officially by the Department of Health on Monday, comes from figures compiled by the CJD Surveillance Unit in Edinburgh.

Scientists of the government's advisory body Searc are increasingly convinced that BSE is the direct cause of the disease



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news

As another high-profile case is sent back to the Appeal Court, members of the Birmingham Six find their nightmare lives on

Freed from injustice but still imprisoned in their own tragedy



Back in court: Paddy Hill is still calling for adequate compensation some six years after he and other members of the Birmingham Six were freed

Photographs: Tom Pilsten

Steve Boggan
Chief Reporter

First the state took away their liberty and now it seems intent on stripping the Birmingham Six of their dignity. It is six years since the men were cleared of

the Birmingham pub bombings, but their nightmares continue. Psychologically, they are still not free.

Depression, anxiety and failed relationships have littered their paths since they were released after 16 years in

prison. Yesterday, money was added to the list of problems when Paddy Hill appeared before magistrates to explain why he was in arrears with his council tax.

It was a bizarre, almost surreal occasion. Mr Hill, a

diminutive, hyperactive 52-year-old, was once more in the dock but this time the court and its officers seemed deeply embarrassed by his very presence.

"This isn't a protest," he told the bench at Haringey Magistrates Court in north London.

"I simply don't have any money. Since I got out of prison I have received an interim [compensation] payment and I have paid all my bills every year. But now I have run out of money."

"In January, I made an application for sickness benefit,

but I was told I wasn't eligible because no contributions were paid during the 16 years I was in prison. I am still being treated as though I am guilty even though I have been exonerated. I have since found out that I am

harmed from all benefits."

Mr Hill was summoned after missing just two payments of £80 towards his council tax. Robert Allan, the clerk to the court, explained that the magistrates had no choice but to issue a liability order against Mr Hill, but he hoped the council would be sympathetic towards his case before enforcing it.

Dorothy Wilkinson, chair of the bench, appeared concerned at Mr Hill's plight. "Keep in touch with the local authority and let them know how your compensation case is coming," she suggested. I am sure they will be sympathetic."

Paul Ridd, representing the local authority, seemed slightly uncomfortable. "We will do everything we can to assist him," he said.

"Bloody hell," said Mr Hill afterwards. "I wish it had been like that in 1974."

His problems, and those of the other five - Gerry Hunter, Hugh Callaghan, Richard McKelvey, Billy Power and Johnny Walker - stem largely from an apparent reluctance on the part of the Home Office to adequately compensate them for the years they wasted in prison. They have had two interim payments totalling £200,000 but they believe they are entitled to much more - and to an apology. In spite of their increasingly desperate circumstances, wrangling over the compensation drags on.

"The interim payments sound like a lot of money but

not when you consider that we couldn't go back and live in Birmingham so we had to re-settle," said Mr Hill. "I had to buy a place to live in London, so that was more than £100,000 gone immediately."

"I squandered much of the rest on my children and grandchildren. I had terrible feelings of guilt for not being there for them and, I suppose, I tried to buy their love. What else do you do when your own grandchildren run away because they don't recognise you?"

After their release, none of the men was offered counselling or help of any other kind. All six suffer anxiety attacks and depression to various degrees. All have had relationship problems, some of which have resulted in splits or divorce, although one, happily, has been reconciled with his wife.

The men hope that their compensation log-jam might be freed by the new Government. Sally Mulready, the secretary of the campaign to free them, said they had asked Jack Straw, the Home Secretary, for a meeting.

"What has happened to these men is a national disgrace," she said. "It's now time to compensate them for losing so much of their lives. But it isn't just the money. They want the apology they never had from the last government. All it would take for them all to feel much better is for someone to simply stand up and say: 'Sorry'."

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Hyde Park IRA bomber wins fresh appeal

Patricia Wynn Davies
Legal Affairs Editor

Mounting doubts over forensic evidence in the case of Danny McNamee, jailed for the 1982 IRA Hyde Park bombing, finally led yesterday to his case being sent back to the Court of Appeal.

The decision by the Criminal Cases Review Commission - the first by the independent miscarriage of justice watchdog since it began work in April this year - comes a week ahead of a televised admission, on Channel 4's *Truth and Error* programme, by self-confessed IRA bomb-maker Dessie Ellis that electronic circuit boards linked to McNamee bore a close resemblance to those Ellis had been convicted of constructing.

McNamee, sentenced to 25 years for conspiracy to cause the 1982 explosion, was described by the prosecution at his 1987 trial as the IRA's "master bomb maker."

But the commission said yesterday that the conviction should be reconsidered following inquiries into scientific and fingerprint evidence and non-disclosure of evidence at the time of McNamee's first appeal in 1991.

McNamee, 37, a former electronics engineer from Cross-

maglen, Co Armagh, has persistently denied membership of the IRA and protested his innocence.

His conviction turned on the discovery of his fingerprints on tape found in two IRA arms dumps, and on a battery which survived the explosion.

McNamee said in his defence that rolls of that kind of tape could have been handled by numbers of people in the electronics factory where he worked, while he had repaired thousands of CB radios which contained similar batteries.

The trial heard that there were more than 100 prints on the contents of the arms caches, which the prosecution accepted were from innocent parties.

ATHENA PHEROMONES

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Ulster nerves taut as Orange parades near

Michael Streeter
Portadown

The tension was almost tangible in Portadown yesterday as both Protestant and Catholic communities look forward nervously to Sunday's planned Orange parade. The more visible signs at Drumcree and its effect on the psyche of the town were also there. In the largely Catholic Garvaghy Road area, through which the march is scheduled to pass, youths were busily erecting bunting in the colours of the Irish Tricolour and repainting anti-Orange slogans on walls. Elsewhere in the mainly Protestant town, Union flags fluttered from scores of windows and the bonfires that traditionally mark the Orange Order's July celebrations were piling high.

Such tension is familiar for the 103 Protestant families still living at the bottom of the Garvaghy Road, an area once known as The Walk because of its associations with parades but now mostly Catholic. One woman sitting in her living room with a photograph of the Queen, talks of the intimidation she and neighbours suffer from nationalists all year round but especially in July. "Windows are smashed, doors are kicked and our children can't play safely in the park," she recalls a recent incident in which a six-year-old Protestant boy was surrounded by Catholic teenagers who asked him what his religion was. "He didn't understand, but when they asked if



The Garvaghy Road 'Justice Camp' which police will have to remove if the march goes ahead. Photograph: Pacemaker

he listened to bands with his mother he said 'yes', so they urinated all over him." Despite, or because of this, the woman who like most people approached by The Independent asked not to be named, is furious at speculative talk that the Portadown Lodge might choose not to walk down the Garvaghy Road. "Even though we will bear the brunt here, the march must go through. I'm not going to be driven out."

But according to Ivor Young, who four months ago helped found the Concerned Protestants Committee in the town, said many had been driven out by what he called "ethnic cleansing" inspired by nationalists. And he claimed that the outside world has

chosen to ignore the plight of such Protestants for too long. Sunday's parade is make-or-break for the Unionists, he believes, and if the Lodge does not march down the road he says he will urge "ordinary men, women and children" to do just that. "We are getting walked upon, but I think we are beginning to wake up to what's happening. We're not dull."

In the town centre there is deeply felt support for the parade. "We don't want any trouble but I think our community has given enough away," says one woman. Another adds: "I think that people would be devastated if it didn't go ahead."

On the Garvaghy Road itself, where Catholic women have set up a self-styled "Justice Camp" in an attempt to prevent the march going through, a woman said: "Why can't they march in their own part of town? I just want my children to be able to go out and be safe." She denied that Protestants had been driven out. "It's just that when they leave they tend to be replaced by Catholics."

Few Protestants believe her. They talk of a Sinn Féin orchestrated campaign to bring in outsiders for the weekend's protests, and of claims that petrol bombs have been prepared. One said: "They won't be happy until the area is 100 per cent Catholic."

Plans to put 3-year-olds in nursery

Judith Judd
Education Editor

Legislation to compel local authorities to ensure that education is provided for three and four-year-olds would be introduced under government proposals expected to be published today.

Draft guidelines on the Government's pledge to provide free nursery education for all four-year-olds aim to end the lottery of schooling for under-fives in some authorities nearly all four-

The consultation document asks whether such a duty would be desirable and when it should come into force. David Blunkett, the Secretary of State for Education, has said that he wants all four-year-olds to have a free nursery place by next September and that, eventually, there should be places for all three-year-olds.

Local authorities are being asked to draw up plans to show how they would achieve the targets. Part of the funding for nursery education, the guidelines propose, would be released only if Mr Blunkett approves an authority's plan.

Authorities will have to set up new bodies to draw up plans by next April. The bodies should include parents as well as representatives from the private and voluntary sector, the guidelines suggest.



David Blunkett: Wants nursery places for all

year-olds receive nursery education while, in others, hardly any do. The proposal would overturn legislation introduced by the Conservatives 16 years ago which made it clear that councils had no statutory duty to provide nursery education.

Guidelines to be sent out for consultation say that the school starting age would remain the same so parents would still choose whether they wanted education for younger children.

However, they say that to guarantee the achievement of the targets for four-year-olds and three-year-olds it would be necessary to place a statutory duty on local authorities to secure the provision of nursery education for a specific age range of pupils.

Ministers' ultimate aim is for the bodies to plan childcare and education for all children aged one to eight. The Government will invite bids for the establishment of 25 pilot centres of excellence which will be expected to show how early education and childcare can be combined with other family services such as adult literacy programmes and parenting courses. Sue Owen of the National Children's Bureau early childhood unit said yesterday that she welcomed the proposal for a new duty on local authorities but legislation alone would not achieve the Government's aims. "You have to make things mandatory to make serious change but you also have to do something to ensure quality and to provide funding."

Graham Lane, chair of the Local Government Association's education committee, said that local authorities would welcome a change in the law. "It will help to ensure that authorities prepare proper plans for nursery provision."

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they got into that there loom.

Then I understood, it was a painter's marvel,
a skill that seemed a hole in Creation,
and drew the face of gods like grandeur
to serve as features in your eyes.

Magpies' shadows fill the low-hanging boughs,
they seem to fear the coming forth.

It sits still and looks at blue clouds,
neither from the or common bird.

Its legs are like swords or swords
that carry it to the realm of men.

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It is in the cloudy sands' edge,
and fog.

It feels such pain,
beliefs twisted within?

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The Conran superwomen turn Sir Terence into a marital loser

Kim Sengupta

He is a man of immense wealth who has shaped the way we live now. The British Prime Minister and the American President chose his restaurant to eat during a state visit. But when it comes to his personal life, Sir Terence Conran appears to have an expensive habit of losing wives.

Yesterday at the High Court he was ordered to pay a £10.5m settlement to his latest ex-wife. Writer and journalist Caroline was the third woman to have married and then left Sir Terence.

However, like a previous incumbent of the role, Shirley Conran, the renowned author of "Superwoman", she has emerged from the partnership a successful figure in her own right.

Lady Caroline, 58, had asked for a cash payment of £8.7m. Sir Terence, 68, had offered £2.5m, claiming most of his £80m fortune had been created after the marriage ended.



But Mr Justice Wilson decreed Lady Caroline should receive £6.2m in cash, as well as a £1.1m home in Belgrave, another £800,000 home in Dorset and £400,000 worth of jewellery, cars and other items. Money she retains from her marriage brings the total to £10.5m.

In a public judgment delivered after a private hearing, the judge said



Terence Conran (right) and his former wives Shirley (far left) and Caroline

ex-wife had been an excellent mother and had "provided him with what he calls active home support", but disputed her contribution to his success, said the judge.

He continued: "He is, in my judgement, totally convinced that the wife has made no such contributions and that any award against him constructed even part by reference to them would be perverse."

"But it can be difficult for a man with a healthy ego who has achieved vertiginous success to look down and discern a contribution other than his own."

But... when everything is added together there is only one conclusion - the wife's energy was almost as prodigious as that of the husband; and her contribution to the welfare of the family in every sense was outstanding.



Surprise: Frans Hals' portrait of St John

£2m for lost Hals portrait

Stephen Goodwin
Heritage Correspondent

A painting of St John the Evangelist by the 17th Century Dutch master Frans Hals, which had been lost for 180 years, was bought by an anonymous bidder for five times the price expected. One of a set of four Evangelists acquired by Catherine the Great of Russia, it fetched £1.92m in a sale of Old Masters at Sotheby's yesterday.

Catherine acquired the set from Barnum van Borck, minister to the King of Prussia in 1773. They remained in the Imperial Hermitage in St Petersburg until 1812 when they were among 30 paintings sent on the orders of Tsar Alexander I to churches in the Crimea.

After that, the location of the set remained a mystery until 1959 when Luke and Matthew were discovered in a storeroom of the Odessa Museum.

The two carried an attrib-

ution to an unknown 19th century Russian painter, but both also displayed traces of the red paint of their Hermitage inventory number. Saint Mark surfaced at auction in Milan in 1953, repainted as a bearded man in a ruff. The painting was confirmed as a Hals only after being cleaned in 1973 when the artist's monogram and St Mark's lion were revealed.

The long-lost fourth Evangelist was submitted to Sotheby's for sale by an unnamed woman who had no idea of its significance. St John is portrayed, as is customary, as a young man with his attributes, the gospels and eagle. The other three saints are portrayed as old men, as is usual.

Alexander Bell, head of Sotheby's Old Master paintings department, said: "This is a beautiful image, in untouched state, which displays the fluid brushwork and bold handling that are the hallmarks of this great painter."

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Employees face big income loss on retirement

Roger Trapp

Employees throughout Britain face a reduction of up to 15 per cent in their retirement benefits as a result of the Budget's attack on dividend tax credits, financial advisers said yesterday.

Experts predict widespread underfunding for retirement. Martin Slack, of actuaries Lane Clark & Peacock, said the move broke "the fundamental trust" between the Government and the public on which pension provision had been based. Actuaries calculate that a male of 35 expecting to retire at 65 and contributing 10 per cent of his £30,000 salary could, until Wednesday's speech, have expected a pension of £44,259 a year. But the loss of the tax credit could reduce that to £38,036 - a 12-per-cent reduction.

The problem stems from Gordon Brown's ending of what has been seen as a perk for a handful of City institutions. But it is not that simple. The tax credit on dividends that results from a facet of corporate taxation known as Advance Corporation Tax (ACT) might look

like a target whose only victims are pension funds, which are not only faceless but also do not have a vote. But recent lobbying demonstrated that the potential ramifications go beyond the Square Mile.

ACT is a by-product of the system introduced in 1973 to try to reduce double taxation and is triggered when a corporation pays a dividend. The company pays shareholders a dividend net of the basic rate of income tax - 20 per cent - and pays the tax direct to the Inland Revenue on behalf of the shareholders.

But the real beneficiaries are those that do not pay tax - mostly tax-exempt institutions, such as pension funds, which account for 50 to 60 per cent of UK share ownership. They can reclaim the ACT paid by corporations on their behalf and receive substantial extra income in the form of gross dividends.

It has long been assumed that this extra "incentive" for City institutions to receive dividends has accounted for the British disease of short-termism by diverting funds away from investment in research and

development and related areas.

But many accountants argue that even with the cut in corporation tax the effect of the change will be to reduce investment because corporate cashflow will be hit by having to pay more to institutions to persuade them not to invest elsewhere or into their pension funds.

The approximately 6 million people in personal pension schemes will have to make up the shortfall by making additional contributions of 1.5 per cent to 2 per cent of their salaries. However, many - particularly the self-employed - will already be making their maximum contributions and must therefore face reduced benefits. What happens to the 4 million odd people in occupational plans will depend on whether their employers have financial-salary or defined-contribution schemes. Companies with financial-salary schemes are obliged to make up the difference, but a company can change the basis of its pension scheme or even wind it up at will.

End to pensions holiday, page 22



Grey area: Thanks to Gordon Brown, pensioners may not find it so easy to holiday take that holiday of a lifetime

Photograph: Harbie Knox

Price of postage may have to rise

Roger Trapp and Chris Godsmark

The Post Office and British Telecom are among the first companies to hint at the effect the abolition of the tax credit on Advanced Corporation Tax will have on them.

Though the reduction in cor-

poration tax from 33 per cent to 31 per cent has softened the blow, actuaries still calculate that the ending of the tax credit for pension funds will add about 10 per cent to the liabilities of companies operating occupational schemes.

Many local authorities which have already seen their funds se-

verely stretched by government cutbacks, warned that council tax may have to rise, or services cut, as they seek to make up the shortfall in their pension funds.

The Post Office would not rule out an increase in the price of postage stamps yesterday after the Chancellor's removal of pension fund tax relief

left the organisation with a bill of around £150m.

Executives from the Post Office were yesterday seeking a meeting with the Department of Trade and Industry to discuss how it could meet the extra cost. The bill is almost the same as the £130m raised last year when postage stamp prices rose by 1p.

The Post Office's two pension funds could see £1bn knocked off their £10bn value. "This missing link is what the DTI will say about our ability to meet Treasury financing limits," said a spokesman.

Though the Post Office this week revealed record profits of £577m for last year, it had to pay £285m straight back to the Treasury and a further £216m in corporation tax, leaving a buffer of just £78m. This year the sum paid into Treasury coffers will increase to £313m, a source of long-standing concern to Post Office directors

who wanted freedom from Exchequer constraints.

The spokesman said the Office would need a detailed review of the fund before it could calculate the precise cost of the measure. "It's just too early to say what the precise impact is. You couldn't say there will be a stamp rise, you couldn't say there won't be a stamp rise."

Though stamp prices have been frozen until at least April 1998, this week the Post Office could not guarantee it would stick to its pledge.

BT also expected to have to put further cash into its £20bn pension fund yesterday. "There obviously will be an effect on us. BT is committed to maintaining the health of the pension fund," said a spokeswoman.

The 119,000 employee members pay contributions of 6 per cent, matched by 9.5 per cent from BT. The fund had a surplus of £800m in 1995.

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£50,000-99,999	6.50	5.20
£25,000-49,999	6.25	5.00
£10,000-24,999	6.00	4.80
£1-9,999	0.50	0.40
90 Day Notice Account - Paid Monthly		
£100,000+	6.60	5.28
£50,000-99,999	6.25	5.00
£25,000-49,999	6.00	4.80
£10,000-24,999	5.75	4.60
£1-9,999	0.50	0.40
60 Day Notice Account - Paid Annually		
£50,000+	5.50	4.40
£25,000-49,999	5.25	4.20
£10,000-24,999	4.80	3.84
£5,000-9,999	3.75	3.00
£500-4,999	3.50	2.80
£1-499	0.50	0.40
60 Day Notice Account - Paid Monthly		
£50,000+	4.50	3.60
£25,000-49,999	4.25	3.40
£10,000-24,999	3.80	3.04
£5,000-9,999	2.75	2.20
£500-4,999	2.50	2.00
£1-499	0.50	0.40
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international

The Principles people pull out of Burma

UK stitched up by Burma junta

BBC special correspondent
See Lloyd-Roberts
examines how the
generals have made a
killing in European trade

Andrew Marshall on Burton Group's decision that followed yesterday's *Independent* report

The Burton Group said that it was severing its business links with Burma yesterday, immediately before a BBC *Newsnight* documentary was due to document its ties to the country.

Britain's largest retailers, owns Burton Menswear, Debenhams, Dorothy Perkins, Evans, Topshop and Top Man, and Principles.

The *Independent* reported yesterday that Burton was one of several British companies which sourced its clothes from Burma. However, a spokesperson for the company said that the timing of the pull-out was completely unrelated to either the report in *The Independent* or the BBC programme, set to be broadcast last night.

Instead, they said that it was the result of comment from customers, who had expressed unhappiness with the policy of

buying from Burma. "We have a policy of listening to our customers," the spokesperson reiterated.

Aung San Suu Kyi won the 1991 Nobel Peace Prize for her

non-violent campaign for democracy in Burma, a year after the opposition, led by her National League for Democracy, won parliamentary elections. The ruling military

council never honoured the result.

The Burma Action Group said that the announcement was very good news. It has mounted a letter-writing campaign against Burton's invest-

ment, and regarded this as a success. "It goes to show that UK consumers are increasingly ethical consumers," said Yvette Mahon, co-ordinator of the

group. "This sends a very strong signal to the military in Burma of increasing world isolation."

According to official

Burmese figures, Britain is in

second place after Singapore in

the league table of investors in Burma, with over \$600m (£400m) of British investment money invested last year. Most of this is accounted for by stakes in the gas and oil sector, but there is also considerable interest in buying garments from the country, one of the world's lowest cost suppliers.

Many American companies have already retreated from Burma. When it left the country, the jeans manufacturer Levi Strauss said: "Under current conditions, it is not possible to do business in Burma without directly supporting the military government and its pervasive violations of human rights."

The Government said yesterday it would consider signing a number of international human rights accords as part of its commitment to make human rights a central goal of its foreign policy, *Reuters* reports. Foreign Office minister Tony Lloyd told 20 human rights organisations that the Government planned to launch a major review of its international human rights policy.

In particular, it would examine whether to accede to protocols to the European Convention on Human Rights and the International Covenant on Civil and Political Rights.



New clothes: Burton Group, owners of Principles stores, says it is responding to concerns over Burma, where the junta benefits from child labour

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significant shorts

Bosnian Serb president dissolves parliament

The Bosnian Serb president yesterday dissolved parliament, which is dominated by her rivals - allies of the war-crime suspect Radovan Karadzic. But the legislature was likely to defy her and further escalate tensions. Mrs Plavsic said her decree was justified because "the functioning of legal order... is in a serious crisis in almost all fields". She said the police were "organising criminal activities", she was being ignored by the government, and parliament had been "carrying out orders from the informal centres of power" - an allusion to Mr Karadzic. Parliament is scheduled to meet today in Karadzic's mountain stronghold of Pale, east of Sarajevo.

AP - Belgrade

Fears grow for Nigerian poll

The postponement of elections has Nigerian opposition groups questioning whether the military regime will keep its promise to cede power to civilians next year. General Sani Abacha promised in 1995 to return power to civilians on 1 October 1998. On Wednesday, his Transition Implementation Council set presidential and gubernatorial elections were set for 1 August 1998. It was the first time a date for the presidential vote had been announced, but General Abacha had said earlier that governors for the country's 30 states and one federal territory would be elected late this year.

AP - Lagos

Forces' gay ruling challenged

The US Justice Department will appeal against a federal judge's ruling that the armed forces "don't ask, don't tell" policy violates gays' rights to equal participation in national defence. In New York, District Judge Eugene Nickerson has ruled that a military "called on to fight for the principles of equality and free speech embodied in the United States Constitution should embrace those principles in its own ranks". The issue is expected to be decided eventually by the Supreme Court.

AP - Washington

Japan scales down oil disaster

Embarrassed officials said the oil spill from the *Daiichi* Grace supertanker in Tokyo Bay, initially thought to be of record proportions, was only one-tenth the size previously estimated. They also said human error appeared to be responsible for the incident, in which the supertanker ran over a reef in shallow water. Officials had estimated the spill at 13,400 tonnes, which would have made it the biggest ever in Japan. Yesterday, however, they revised it to 1,315 tonnes.

Reuters - Yokohama

Saudi step to democracy

A Saudi-owned newspaper said Saudi Arabia would raise the number of delegates in its consultative Shura Council to 90 from 60, expanding popular participation in the country's first representative body.

Reuters - Dubai

In-flight exposure

He was caught with his pants down in a lavatory during a transatlantic flight but insists he is innocent. Raviv Laor says he was not sneaking a smoke. Now he is suing Air France for \$12m (£7m) after he was dragged from the lavatory with his trousers around his ankles and toilet paper in his hand. Mr Laor claims a flight attendant wrongly thought he was smoking after a malfunctioning smoke alarm went off.

AP - New York

Mafia bomber arrested

Gaspare Spatuzza, one of Italy's most sought-after Mafia killers who was wanted for a series of 1993 bombings that killed 10 people, has been arrested, police said. Investigators say Spatuzza played a leading role in organising car bomb attacks in Milan, Rome and Florence that killed 10 people in 1993. The bombs also damaged Florence's Uffizi Gallery and two churches in Rome in the same period.

Reuters - Palermo



Accused of car bombing: Police escorting Gaspare Spatuzza in Palermo yesterday Photograph: Reuters

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international



Poll position: Albanians take cover in a park in front of the central electoral building in Tirana yesterday as shooting erupted after monarchists, demanding a revision of poll results, marched from a nearby square. Photograph: Reuters

Jospin targets rich for emergency tax

John Lichfield
Paris

The most profitable French companies, and the wealthiest French individuals, face an emergency tax levy later this year to help France qualify for the European single currency.

Dominique Strauss-Kahn, the finance minister, said yesterday that a "light" levy on business and individuals may be necessary if the state of public finances proves to be worse than expected. An audit is due to be completed in two weeks' time.

His comments provoked anger in the business community and among centre-right politicians, who pointed out that the Socialists had campaigned during the election in May on a promise not to raise taxes. They had also campaigned on a promise to keep their promises.

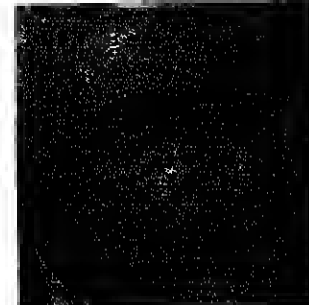
Government spokesmen re-

ported that this was not true: the Socialists had pledged not to raise the standard, compulsory level of taxation. Mr Strauss-Kahn was suggesting a one-off levy. This would only apply if the budget deficit this year seemed to be hopelessly wide of the guideline - 3 per cent of GDP - laid down for membership of the single currency.

The French government has already let it be known that it expects to miss this target but hopes that Germany and other EU governments will accept 3.4 or 3.5 per cent as a near miss.

The emergency levy would apply if the estimated deficit was even higher (which seems likely).

To add to the confusion, the government itself seemed unclear who might be stung by such a tax. François Hollande, the first secretary of the Socialist Party, said on Wednesday that it would apply only to compa-



Strauss-Kahn: 'A light levy'

nies which had been "the most prosperous" in recent years. Catherine Trautmann, the official government spokeswoman, suggested it might apply to any company which had "made profits". Mr Strauss-Kahn extended the net yesterday to the "wealthiest families".

The row was a further embarrassment for the Prime Minister, Lionel Jospin, who gave a television interview to explain how he intended to keep an apparently contradictory set of election pledges.

Mr Jospin asked, in effect, not to be judged on his first month, or his first year, in office. He said he had been given a five-year mandate and would keep his promises by the end of that period.

Mr Jospin remains popular and most French people seem ready to extend his period in grace. His core problem is his promise to respect all his promises, which has tangled the government in ever more complex schemes of sophistry.

The decision last week not to reverse the closure of the Renault factory in Belgium seemed a direct breach of promise to reopen the case. Mr Jospin said he had promised only to "reopen the dossier", not to force a different decision.

The vague commitment to greater EU emphasis on growth and jobs at the summit in Amsterdam fell short of the campaign pledge to push the wide European single currency policy in a new, more reticent direction. Yes, said Mr Jospin, but it is just a first step.

The tax row brings him into even more hazardous territory. To meet the EMU guidelines and honour spending pledges, Mr Jospin needs the economy to grow faster than the current annual estimate of 2 per cent. But any suggestion that his government will be anti-business and anti-profit could undermine investment and business confidence and, therefore, growth.

Thank God for O-level history and Russian nostalgia

It takes nerves of steel just to have a drink in the bar of the Hotel Tajikistan. This establishment, in the heart of its eponymous country's capital, Dushanbe, is a byword for awfulness among the handful of Western travellers unfortunate enough to have to stay here - a typical Soviet-era monolith, with the usual scanty and inedible food, surly service, dysfunctional telephones and televisions and life-threatening lifts.

What gives the place its special flavour, however - and in the bar most of all - are the officers of the 201 Russian peace-keeping division. Russia still commands about 20,000 troops along the southern border with Afghanistan, and when not on border duty these officers reside on the hotel's top two floors. Their tours of duty can last for years: many are half-crazed with boredom.

At that time I hadn't heard the story of the drunken major who hired a prostitute and then, enraged by his vodka-induced impotence, emasculated himself with a pistol shot. But the peace deal that will put an end to Tajikistan's five-year civil war is still unsigned, which means Dushanbe is still subject to a self-imposed curfew. The evenings can be long. One night, attracted by the sound of Russian drinking songs from down the hall, I went to investigate.

Inside, the singing turned out to be from an old tape recorder running at maximum volume. Adjusting my eyes to the almost total absence of light, I negotiated my way around three young men who were swaying dangerously in the middle of the floor and asked the barman for a beer. He shook his head: "Niet beer. Only vodka".

He slapped a dirty tumbler on the bar top and sloshed vodka into it from a bottle marked Cossack. There were no pub measures here. I took a sip - it was lukewarm and smelled not unlike cleaning fluid - and retreated to a dark corner table that was sticky with dirt.

The three dancing men followed my movements closely: the only two other customers in the bar got up from their table by the door and left. The incomprehensible drinking song blared on, jingly and attractive. Then one of the dancers sat down opposite and stared at me for a long time. He didn't speak. From time to time he swigged from a bottle of Cossack, throwing it back like it was nothing.

At last, I offered him a cigarette: he took it with a cruel smile, crushed it, and sprinkled it on the floor. I smiled on, struggling as nonchalantly as possible. This puzzled him: he hadn't spotted me measuring the distance to the exit. "Why," he said at last, "are you so relaxed?"

It happened to be Remembrance Day in Dushanbe: car-

lier there had been a parade honouring the fallen of the Second World War. They still take such things seriously in the former Soviet Union. Many of the bystanders were in tears as veterans shuffled by, swamped beneath the weight of medals in shrunken chests. And so I see the only possible answer to this question: that I was English and that since he was a Russian I knew I was among friends.

The soldier was not impressed. "You're a foreigner," he said, spitting on the floor. "All foreigners are filth. All this is your fault."

He waved angrily around the room, but he meant everything - the dinginess or the bar, the dreariness of his life in the army, perhaps even the collapse of the Soviet Union itself. It crossed my mind that he, too, was a foreigner in Tajikistan, but it was hardly the moment to point that out. He could not have been more than 24. And then his friends came to join in, collapsing heavily into the sea and hocking all chance of escape.

"All foreigners are filth," said the soldier. "And all this is your fault."

cape. "We were allies 50 years ago," I said carefully. "Your country and my country defeated Hitler together."

He swore and brought his face to within an inch of mine. "You have no idea how we suffered," he hissed. "No idea at all."

"That's not true," I countered. "Everyone in my country knows what happened at Stalingrad. Russian resistance there turned the tide of the war. It was heroic. My country - no, wait, the entire world is indebted. For ever."

At this the other two roared with approval. The first soldier looked put out, muttering that he still reckoned all foreigners were filth. Then I understood: he was from Volgograd, the former Stalingrad. He said exactly the right thing. His friends slapped my shoulder and forced one filthy vodka after another on me, finally insisting that I join them in a mad spinning dance among the tables and chairs. The barman looked on, bored and oblivious and for the first time in my life I thanked God for O-level history.

JJ Fergusson

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(*IT'S OFFICIAL, BBC TOP GEAR MAGAZINE VOTED THE FIAT BRAVA FAMILY CAR OF THE YEAR.)

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noisy offspring with a tweak of the volume button. And because Top Gear won't be the only ones to covet the Fiat Brava ELX, the car is fitted with an alarm and a Fiat CODE immobiliser. It means that only you and your sprogs can enjoy the refined 1.6 or sporty 1.8 engines. (Alternatively, you could plumb for the 1.9 turbo diesel if you want to save money fast.) 1997's Top Family Car can be yours from just £11,070, on the road. All Bravas are also available with Fiat's Flexible Ensign, which offers a host of unique ways to drive a new Fiat. So what family car will get your vote? The one that's better than your kid's friend's dad's car, of course. Call 0800 71 7000, <http://www.fiat.co.uk> or visit your local Fiat dealer for more information.

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36 Monthly Payments	£253.00	£206.00	£253.00	£206.00
APR	0%	0%	0%	0%
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US storms back to the last frontier

Mars landing sparks patriotic new interest in space journeys, both real and slightly fictional

Mary Dejevsky
Washington

This time last year Americans were basking in the reflected glory of *Independence Day*, a cinematic *War of the Worlds* for the Nineties, in which the US led Planet Earth to victory over diabolical space invaders to the strains of the national anthem. Tonight, as celebratory fireworks light the sky "from sea to shining sea", that triumphalist version of Independence Day will seem almost real.



Alien nation: A display in Roswell, the US UFO capital

emergence of a small robot designed to plot the terrain. After a seven-month journey, *Pathfinder* should make its arrival in time for brunch in New York and breakfast in Los Angeles, the first Earth visitor to Mars since the *Viking* missions of the Seventies. As one newspaper put it, luxuriating in the anticipated spectacle, Mars will be "invaded by Earth". If the pictures transmitted from the Red Planet are fuzzy or intermittent, television pro-

ducers can intersperse them with sharp images broadcast live, by a new technique, from the space shuttle *Columbia*, which defied a thunderstorm to launch earlier this week and is now in orbit. News bulletins show astronauts floating around their capsule in images that could come from a Cold War propaganda film. The contrast between this and the daily more pessimistic bulletins on the crippled *Mir* Russian space station could not be greater.

Back at home, life is imitating space come to Earth in the New Mexico town of Roswell, whose population trebled this week for a UFO fest to mark the 50th anniversary of an event (real or mythical) that put it on the map. To believers, who include former Pentagon official Philip Corso, whose recent book was judged damaging enough for the Air Force to issue a 230-page rebuttal, it is not only earthlings who are attracted by Roswell's charms. Col Corso and the others know a team of little grey men took to their flying saucer back in 1947 but crashed a few miles outside the town some time around Independence Day.

Col Corso, whose deadpan style and rank lend authority to his story, says the military not only spirited the wreckage away and lied to the public but also exploited the aliens' technology. Lasers, cyber-optics and the Stealth bomber are among the results, he says. Always, though, it has been the fate of the "aliens" as much as the innovative spaceship or the alleged official cover-up that has worried Americans. Whether or not the creatures existed, there is a general feeling that America did badly by them.

Blind find little to laugh at in myopic Magoo



Don't see the joke: Mr Magoo and General Halftrack

David Osborne
New York

Cartoonists may be the last to get the message and they will not much like it. In Nineties America, funny is not funny when it is politically incorrect. None in the industry is exempt, including the Disney Company.

There were squeals of shock last month when a cartoonist for the *Arizona Republic* offered his version of perhaps the most famous news picture from the bombing of the federal building in Oklahoma City, that of a fireman in the rubble holding a tiny infant killed in the blast.

So upsetting to some was the drawing, published to coincide with the death penalty sentence against Timothy McVeigh, that the editor was moved the next day to publish an apology.

Meant as a jab against against capital punishment, it labelled the fireman "death penalty fanatics" and had the child pleading, "Please, no more killing". The fireman was replying: "Oh, stop your whining".

Now Disney is getting the same lesson. It is under fierce attack for its planned release next Christmas of a feature film starring actor Leslie Nielsen playing the long-retired cartoon character, Mr Magoo.

Mr Magoo is the perfect vehicle, you might think, for Nielsen. First introduced to Americans in the post-war years, Magoo was famously bungling and hopelessly myopic. Comic to most of us; offensive to blind people.

Thus this week, the National Federation of the Blind has de-

manded that Disney suspend production of the film. It is also asking its 50,000 members to consider forgoing Disney products until the company complies. "The Disney people have dragged Mr Magoo back from richly-deserved obscurity in the hope that Americans will think it's funny to watch an ill-tempered and incompetent blind man stumble into things and misunderstand his surroundings," said Marc Maurer, president of the organisation.

Disney, which recently also got hit by calls for a boycott by the Southern Baptist Church because of its alleged promotion of homosexuality, shows no sign of acquiescing to the demand, saying the film "does not in any way make fun or demean blind people".

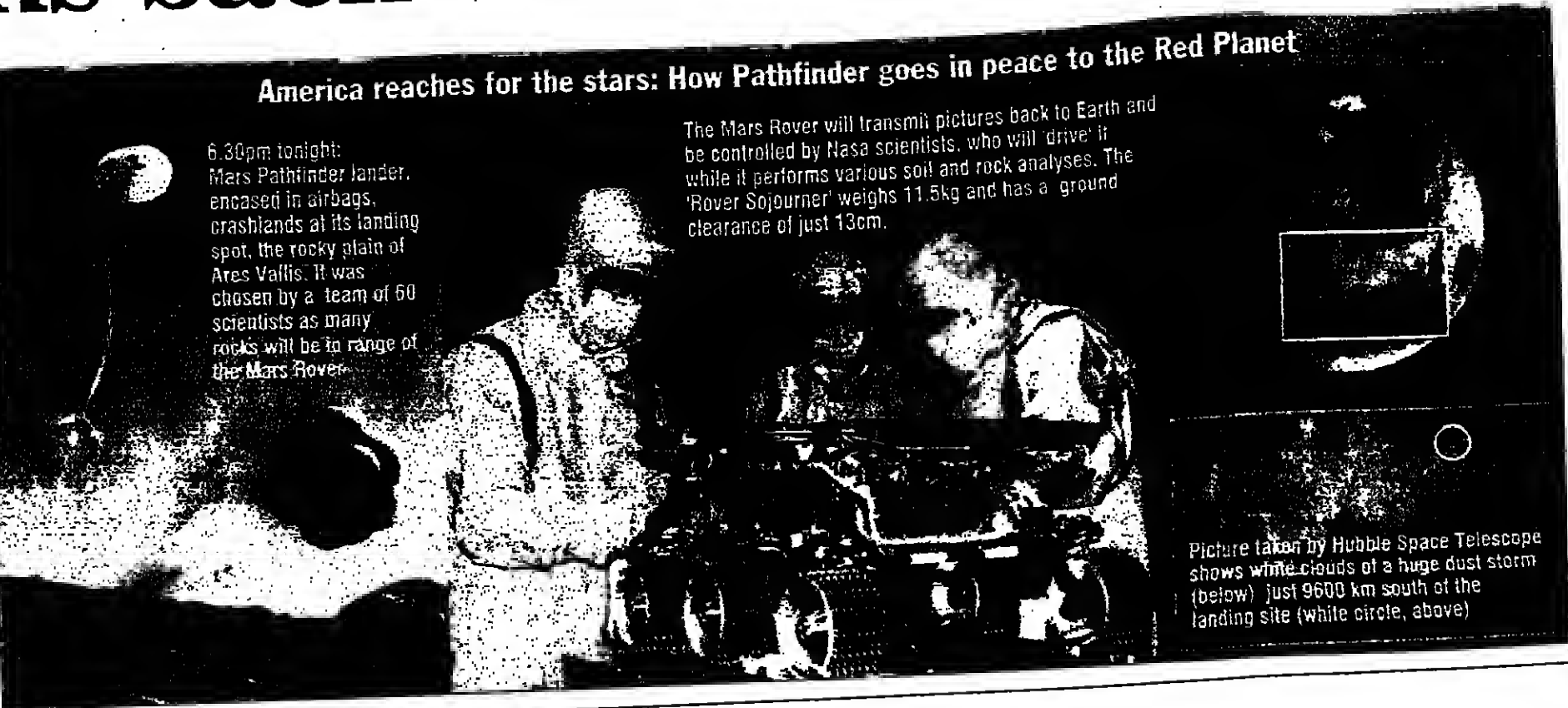
Even Mr Magoo would not have to squint to see other instances of political correctness invading the cartoon world. This week came news that a character in the nationally syndicated Beetle Bailey strip, a lecherous army officer named General Amos Halftrack, will shortly be depicted attending "sensitivity training". Thus, it is hoped, the general will overcome his urge to gawp at the bosom of his secretary, a Miss Budweiser. The cartoon's creator, Mort Walker, 73, agreed to the storyline, which aptly reflects the anguish over gender confusions in the real US Army, after seeing that newspapers were dropping his cartoon because of the general.

All this is going on in a country that stays up late at night to watch re-runs of *Benny Hill* as he cavorts across lawns in pursuit of perky nurses.

America reaches for the stars: How Pathfinder goes in peace to the Red Planet

6.30pm tonight: Mars Pathfinder lander, encased in airbags, crashlands at its landing spot, the rocky plain of Ares Vallis. It was chosen by a team of 60 scientists as many rocks will be in range of the Mars Rover.

The Mars Rover will transmit pictures back to Earth and be controlled by NASA scientists, who will 'drive' it while it performs various soil and rock analyses. The 'Rover Sojourner' weighs 11.5kg and has a ground clearance of just 13cm.



Picture taken by Hubble Space Telescope shows white clouds of a huge dust storm (below) just 9600 km south of the landing site (white circle, above)



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obituaries / gazette

James Stewart

In view of how secure a fixture he was destined to become in the American cinema, it is not perhaps difficult to understand what an awkward proposition James Stewart represented to casting directors at the beginning of his career in the 1930s. He was tall, gangling and lack-lustre, possessed of a slow and almost caricatured drawing delivery that sounded as though, before finally emerging, his voice had to make a complete tour of the inside of his mouth; there was even a suspicion of a wisp or two of straw in his chronically unkempt hair.

If such types were common enough as supporting performers in westerns and rural melodramas, they had generally been denied access to true stardom. Stewart nevertheless became and remained a star, achieving prominence in a wide variety of genres. Moreover, in a career spanning over four decades, he appeared to age as naturally and reassuringly as a member of one's own family.

Although his original country-boy bashfulness and tendency to say "Shucks!" a lot – Stewart was born in the small town of Indiana, Pennsylvania, the son of a hardware store owner – were soon smoothed out in the sophisticated comedies and thrillers in which he was later to make a reputation, they never entirely disappeared. When, in consequence, he was allowed to reveal hitherto unsuspected depths of character, and his candid blue eyes were invested with an uncustomed steeliness (notably, under such directors as Alfred Hitchcock and Anthony Mann), the contrast between the psychological intensity of which he proved capable and the casual behavioural charm which came so naturally to him seemed all the more disturbing.

Stewart won his sole Oscar as a cynical newspaper reporter at first contemptuous of, then bewitched by, the antics of the patrician set in George Cukor's *The Philadelphia Story* (1940). Yet his most memorable work resulted from close collaborations with a trio of very different film-makers: Frank Capra, Mann and Hitchcock.

As a director, Capra could fairly be described as Stewart's equivalent behind the camera: he was folksy, shrewd and basically conservative. In the first of their three films together, a 1938 adaptation of the Kaufman and Hart farce *You Can't Take It With You*, Stewart played a minor but pivotal role as the son of a wealthy, stuffily pompous family who is about to marry into a household of eccentricities. It was not until *Mr Smith Goes to Washington* (1939), however, that their ideally matched talents properly cohered.

As a country-lawyer candidate confronted with the rapacious chicanery of politicians on the make, as an individual coming to the rescue of the system rather than vice versa (invariably the case with Capra's ultimately reactionary brand of sentimental populism), he embodied to perfection the "common-man" ideology of one of the American cinema's great naïve communicators. (Ironically, at the height of the Watergate débâcle, Stewart, now an ageing, superpatriotic movie star, once more went to Washington to offer the embattled President Nixon his disheartening and somewhat ill-timed support.)

And in *It's a Wonderful Life* (1946), Capra's masterpiece, he was emblematically cast as a small-town businessman discovering, no the brink of suicide, just how essential he – and, by implication, his type – had always been to the defence and preservation of the American Way of Life.

With Anthony Mann, Stewart's participation was instrumental in a cycle of surprisingly complex and resonant westerns, from *Winchester 73* in 1950 to *The Man from Laramie* in 1955. In these he played an obsessive, almost Chandlerian loner, except that it was not mean, dark city streets that he stalked but some of the most spectacular, and spectacularly filmed, landscapes of the American hinterland. The partnership proved less successful – although, in strictly commercial terms, even more popular – when it strayed from Hollywood's most elemental genre into the musical biography (*The Glenn Miller Story*, 1954) and the militaristic melodrama (*Strategic Air Command*, 1955). Stewart himself, it is worth noting, had led more than a thousand plane strikes over Germany in the Second World War, winning both the Air Medal and the Distinguished Flying Cross.

But it was Hitchcock who most keenly explored the possibility of a troubled psyche lurking just beneath Stewart's easy-going surface, and the four films which they made together figure among the best of both artists. In the first, *Rope* (1948), based on Patrick Hamilton's stage drama about a pair of motiveless young "thrill" murderers, the subtlety and intelligence of Stewart's performance were heightened by the director's virtuoso "10-minute take" technique, which virtually dispensed

with editing. *Rear Window* (1954) found Stewart, as a photojournalist confined with a broken leg to a wheelchair ("an American in plaster-of-Paris", as someone once wisecracked), acting out the spectator's own voyeuristic fantasies through his fascination with the multiplicity of "screens" offered him by the courtyard windows that are all he can see from his apartment.

The Man Who Knew Too Much (1956) was a more conventional chase thriller, in which it might be said that Stewart played a Hitchcock movie. *Vertigo* (1958), on the other hand, remains one of the finest, most nightmarishly magical of all American films, and Stewart gave an unforgettable performance as a megalomaniacal ex-policeman hounded not once but twice, to his doom by a frosty and near-somnambulistic Kim Novak.

In the Sixties he made three variously memorable John Ford westerns, *Two Rode Together* (1961), *The Man Who Shot Liberty Bells* (1962) and *Cheyenne Autumn* (1964). But, with one stand-out exception, his late appearances represented not much more than a postscript to an exceptionally distinguished filmography. That exception, though – his portrait of a crafty, laconic, deceptively bumbling small-town lawyer in Otto Preminger's *Anatomy of a Murder* (1959) – offered not merely a distillation of the screen persona he had built up over the years but a nostalgic reprise of the unassuming but unshakable moral values of the original *Mr Smith Goes to Washington*.

Gilbert Adair

From the pulsating jazz of Duke Ellington and the jazzy credit titles designed by Saul Bass, *Anatomy of a Murder* remains specifically written for him. But it wasn't. The novel by Robert Traver – the *nom de plume* of John Voelker, a retired judge – was an immediate best-seller, the *Preminger* of its day. Always on the lookout for *risqué* material, the producer-director Otto Preminger snapped up the screen rights, filmed it entirely on location and had the edited film ready only three weeks after shooting ended.

Preminger was a big-game hunter who stalked the Major Themes of Our Time (justice in *Anatomy of a Murder*, democracy in *Advise and Consent*, drug addiction in *The Man with the Golden Arm*, Israeli nationalism in *Exodus*, the Catholic Church in *The Cardinal*) and turned them all into gripping

panties and talks of sperm no one snickers. Perhaps not even Gregory Peck could have carried that off as well. However, Stewart did receive letters from fans saying he should not have accepted such a grubby role. The part might have been specifically written for him. But it wasn't. The novel by Robert Traver – the *nom de plume* of John Voelker, a retired judge – was an immediate best-seller, the *Preminger* of its day. Always on the lookout for *risqué* material, the producer-director Otto Preminger snapped up the screen rights, filmed it entirely on location and had the edited film ready only three weeks after shooting ended.

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At the height of a furious quarrel with her husband, Marjorie Linklater proclaimed the belief which animated most of her long life. "Why do you keep saying, change is bad?" she demanded. "All change is for the best – even when it's for the worst." Since their arguments were usually conducted with an operatic intensity of noise and emotions, the startled silence which followed their thrust indicated that she had won a skirmish if not the war.

On the whole, she remained faithful to her creed throughout her turbulent and ultimately consoling marriage to the writer, Eric Linklater and, after his death, in promoting the arts and the environment in Orkney. Indeed, in this last period, when she helped found the Pier Arts Centre in Stromness (home of Margaret Gardner's remarkable collection of 20th-century art), assisted at the birth of the St Magnus Festival and initiated the Johnstones Foy, a celebration of Orkney art, and the Folk Festival, now a magnet for traditional musicians from both sides of the North Sea, she helped stimulate enough change to satisfy even her zest for innovation.

Born in 1909, the youngest daughter of Ian MacIntyre, a flamboyant former rugby international and MP who became an Edinburgh solicitor, she was sparsely educated at St George's School, Edinburgh, and Down House in Berkshire, before going to the Royal Academy of Dramatic Art (RADA) in London.

During a short West End career, she was courted by Douglas Jardine, captain of the England XI which won the Ashes during the "Bodyline" series in Australia. The affair was doomed from the moment she found herself briefly ignored at one of his parties. Turning to the man nearest her, who happened to be the legendary batsman C.B. Fry, she said brightly, "I do hope you're not another of those awful cricket boys."

Attractive and high-spirited, she returned to Edinburgh in 1930, and taking up the first of innumerable causes, campaigned with Michael MacQueen for the establishment of a Scottish National Theatre. There she met Eric Linklater, 10 years her senior, and already a famous author. He admired her beauty, her taste in claret and above all her love of Orkney, his spiritual home, where her family used to take holidays. "Blasé you," she wrote soon after they were engaged. "If you can't be happy with me, you ought to be ashamed of yourself."

In 1933, they married and went to live in Orkney. As well as bringing up a family of four children, she took an enthusiastic part in community life, producing prize-winning dramas and playing her cello – an instrument later traded in for a donkey on the grounds that the latter made a more beautiful noise – in the local orchestra. After the Second World War, the family moved south to Ross-shire, where she became a county councillor, taking particular



James Stewart at his most Jimmy Stewarthish, right in Otto Preminger's *Anatomy of a Murder*, 1947

Photograph: Picturegraph

pride in getting a secondary school built in Plockton (home of the *Macbeth* television series), and securing the headmaster-ship for the great Gaelic poet Sorley MacLean. Following a successful battle to have public toilets built at popular tourist spots, she also took a certain pleasure in being known as "Ross-shire's lavatory queen".

She and Eric had achieved a surprising harmony before his death in 1974, a quality which helped prompt her return to Orkney. In an interview, she declared "I have decided to give up sex and take up committers." Although this was not strictly true (a long-distance romance with someone in the South later led her to confess, "You can't imagine how exciting it is to travel to meet your lover on a Senior Citizens' Railroad"), her wit and style made her an extremely effective committee worker. As chairman of the Orkney Heritage Society, she persuaded the oil industry to fund a full-time archaeologist to

supervise the islands' phenomenally rich prehistoric heritage, and when the nuclear industry proposed to mine uranium in Orkney, she led a long, successful "No Uranium" campaign against it. This was followed by other contests to stop Dounreay's reckless proposal to dump nuclear waste at sea.

When committees would not work, she took lone action and, aged nearly 80, confronted a farmer who was taking sand from a particularly beautiful beach. Enraged, he drove his digger at her, calling her a huffer and a whore. "Well, make up your mind," she snapped back. "I can't be both."

A fervent Scottish Nationalist, she fought vigorously for the party, distributing pamphlets well into her eighties and providing a local headquarters for her friend Winnie Ewing, the MEP for the Highlands and Islands. Eclectically, she also housed the Natural Law Party's candidate at the last election, and worked with Laura Gri-

mood for the restoration of the eighth-century St Boniface chapel on Papa Westray. Her enthusiasm and sense of comedy attracted to her house in Kirkwall a steady stream of Orcadians dropping in for a blether, as well as Filipino singers, Chilean refugees and Icelandic poets.

Although weakened by cancer and a failing heart, she visited friends on the day she died. Her sudden death that evening, after hours of sunshine and laughter, could be seen as the final proof of her dictum – perhaps even this greatest and worst change might have been for the best.

Andro Linklater

Marjorie MacIntyre, campaigner: born Edinburgh 19 March 1909; member, Ross & Cromarty County Council, 1953-60; member, Scottish Arts Council 1957-63; Chairman, Orkney Heritage Society 1977-81; married 1933 Eric Linklater (died 1974; two sons, two daughters); died Kirkwall, Orkney 29 June 1997.

Marjorie Linklater



High-spirited: Linklater in a 1933 portrait by Stanley Cursiter

Births, Marriages & Deaths

DEATHS

DICK, George, of Waterford, Roscommon, died peacefully in his 87th year, after a long illness, on 29 June 1997, aged 87. Father of Stephen, grandfather of Lucia. Funeral at Canford Crematorium at 12 noon on Thursday 3 July.

For GAZETTE, please telephone 0171-293 2011 or fax 0171-293 2018.

ROYAL ENGAGEMENTS

The Princess Royal, Peter, the Duke of York, and the Duke of Gloucester will be at the Royal Wedding at Windsor, on 10 June 1997, to celebrate the 50th anniversary of the wedding of Queen Elizabeth II and Prince Philip. The ceremony will be broadcast on television and radio.

Changing of the Guard The Household Cavalry will be at the Changing of the Guard at 11.30am on 4 July. The ceremony will be broadcast on television and radio.

Forthcoming marriages

Mr A. Butler and Miss C. L. MacLaren. The engagement is announced between Andrew, son of Sir Robin and Lady Butler, of Herne Hill, London, and Catriona, daughter of Mr and Mrs Ian MacLaren, of Edinburgh.

Mr S. C. C. Dwyer and Miss O. M. MacSherry. The engagement is announced between Simon, son of the late Mr Harry Dwyer and of Mrs Charity Dwyer, of Ashley Priors, Torquay, Devon, and Orla, daughter of the late Mr John MacSherry and of Mrs Nuala MacSherry, of County Tyrone, Northern Ireland.

Birthdays

Prince Michael of Kent, 55; King Tupou IV of Tonga, 79; The Duke of Abercorn, Lord-Lieutenant of County Tyrone, 68; Lord Barber, former Chancellor of the Exchequer, 77; Mr Alec Bedder, cricketer, 79; Mr Eric Bedder, cricketer, 79; Dr Roger Berry MP, 49; Mr Alastair Goodall MP, 54; Mr Roy Henderson, baritone, 98; Miss Gina Lollobrigida, actress, 70; The Hon Francis Maude MP, 44; Miss Pam Shriver, tennis player, 35; Mr Neil Simon, playwright, 70; Professor Sir Michael Stoker, former President, Clare Hall, Cambridge, 78;

Mr Colin Welland, actor and playwright, 65; Lord Wyatt of Weymouth, former chairman, House of Commons, 79.

Anniversaries

Births: Louis Bun Meyer, Hollywood "movie mogul", 1889; Daniel Louis Armstrong, jazz trumpeter and singer, 1900. Deaths: Samuel Richardson, novelist and author of *Pamela*, 1761; Marie Curie (Maria Sklodowska), chemist, 1934. On this day: the American Declaration of Independence was adopted, 1776; Karl Heinrich Marx and Friedrich Engels published the Communist Manifesto, 1848. Today is Independence Day in the United States of America and the Feast Day of St Andrew of Crete, St Bertha of Blang, St Elizabeth of Portugal, St Odo of Canterbury, St Ulrich of Augsburg and the Martyrs of Dorchester.

Synagogue services

Details of synagogue services to be held tomorrow may be obtained by telephoning the following. Sabbath begins in London at 9.00pm. United Synagogue 0181-343 9969. Federation of Synagogues 0181-202 2263. Union of Liberal and Progressive Synagogues 0171-580 1663. Reform Synagogue of Great Britain 0181-349 4731. Spanish and Portuguese Jews Congregation 0171-239 2573. New London Synagogue (Masorti) 0171-328 1026.

Part-time student was eligible to claim income support

Chief Adjudication Officer for Social Security v Webber; Court of Appeal (Lord Justice Evans, Lord Justice Peter Gibson and Lord Justice Hobhouse) 1 July 1997

A person pursuing a part-time modular university course was not a student for the purposes of the Income Support (General) Regulations 1987, and was thus eligible to claim income support.

The Court of Appeal upheld the decision of the Social Security Commissioner that the claimant was entitled to income support.

In September 1992 the claimant began a "modular course" at Oxford Brookes University, aiming to achieve a BSc Hons degree. The claimant had begun his studies as a full-time student, but after the first year, because he had failed to pass sufficient modules, the university told him that he could only start as a part-time student in his second year.

He applied for income support in October 1993. His application was refused by the Adjudication Officer, but his appeal to the Appeal Tribunal was allowed. The Adjudication Officer appealed to the Commissioner, who upheld the Appeal Tribunal's decision.

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person be "available for and actively seeking employment". Under regulation 10(1) of the regulations "a claimant shall not be treated as available for employment if... he is a student during the period of study..." In regulation 61 "period of study" was defined as meaning "the period beginning with the start of the course of study and ending with the last day of the course or such earlier date as the student abandons it or is dismissed from it..." Student was defined as "a person... who is attending a full-time course of study... and for the purposes of this definition (a) a person... shall be treated as attending it throughout any period of term or vacation within it..."

The general scheme of the regulations was to identify the status of "student". That status depended upon the categorisation of the course on which

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the student was enrolled. The course was required to be a "full-time" course of study.

It had been argued for the claimant that where a course had a variable character, it was necessary to determine the character of the course, whether it was full-time or part-time, at each relevant stage. It had been submitted for the Adjudication Officer that the definition required that the course be categorised at its outset when the student enrolled for it and that, once the status of student had been acquired, it was deemed to continue.

A course which did not require full-time attendance could not be described as a full-time course. If the relevant course was not a full-time course then the relevant person over was a student coming within the definition in the Regulations.

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said that the present case could not be distinguished from *Chief Adjudication Officer v Clarke and Paul* [1995] ELR 259, in which it was held that a student was not attending a full-time course of study could not fairly be described as a period of either term or vacation within the course in accordance with the definition of "student" in the Regulation 61 (a).

Lord Justice Evans agreed with Lord Justice Peter Gibson, and said that the claimant was also entitled to succeed without relying on the words "throughout any period of term or vacation within it". It was one thing to treat a person as a full-time student at times when, although such a student, he was not in fact attending the course, but quite another thing to rely upon the deeming provision in Regulation 61(a) to create a status as student which did not exist in fact.

Lord Justice Peter Gibson said that the claimant was also entitled to succeed without relying on the words "throughout any period of term or vacation within it". It was one thing to treat a person as a full-time student at times when, although such a student, he was not in fact attending the course, but quite another thing to rely upon the deeming provision in Regulation 61(a) to create a status as student which did not exist in fact.

Kate O'Hanlon, Barrister

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Small men, but their poison was powerful

It remains a little bewildering, even now: the "cash for questions" episode has been long drawn-out and horribly damaging for the Conservative Party. But the pettiness of the MPs' greed, and the sheer smallness of their grubby dissimulation is the striking thing. This was not a great case of evil men or grand corruption: it was more the sort of thing we are used to hearing about from Piddlemarsh Borough Council. In a great democratic institution which, within living memory, controlled a huge swath of the globe, Members of the once-dominant party have been found guilty of behaving like dim and sleazy councillors caught in cahoots with a bent solicitor and a sheepskin-coated developer. For all the fine suits and self-aggrandising rhetoric of Neil Hamilton, Ian Greer and the rest, they have brought the culture of greasy tenners, cheap cheroots and car park huddles to Westminster. Small lies, small kick-hacks: small people.

None of it would have come out without the angry anti-Conservative campaign of Mohamed Al Fayed and some very fine journalistic digging, notably by *The Guardian*, whose courage and professionalism in all this we salute. In the dim corners of the Palace of Westminster and its penumbra of up-market restaurants, deals between lobbyists, short-of-cash MPs and nervous companies would have continued to be struck. And in the

House, the paid wire-pulling, masquerading as innocent, public spirited questioning, would have carried on.

Was it in the end so awful? Was it bad enough to stain the collective reputation of Conservative MPs and subject their party, which has done so much to make modern Britain, to the angry derision of the public? After all, as so many of Mr Hamilton's apologists have been so ready to murmur, the level of corruption in France - Belgium - Italy is so much worse. Isn't it really the case that a self-important, arrogant and priggish media has got above itself and bounded fallible, silly but basically harmless men out of public life? This is the counter-accusation being thrown around, most notably in an increasingly bizarre series of attacks on the editor of *The Guardian* by a columnist and confidant of the Prime Minister called Paul Johnson.

The answer is that a culture that condones small lies moves swiftly to big lies, and that a political party whose members pocket modest bribes will start taking big ones. The apple's small spot of corruption will rot the whole barrel. More interesting is the reflection that, had it not been for the accident of the Fayed campaign and the press, neither the Conservative Party nor Parliament would have noticed the problem. John Major's early readiness to side with Mr Hamilton, and his happiness to see the Downey report's

publication delayed, was not only partisan instinct. It was a modest but telling example of the clubby atmosphere of Westminster politics in action. There are Labour MPs whose outrage at media questioning of their conduct has been just as intense. Party politics aside, when it comes to criticisms of their ethics, Honourable Members have tended to hang together.

Yet what happened when the get-rich-quick atmosphere of the Eighties reached Westminster was that the old order of assumed probity and unspoken codes of behaviour simply crumbled. Confident, assertive men in a hurry,



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who happened to be Tory MPs rather than merchant bankers, felt they had a right to a share of the action. The interpenetration of business and politics, in a culture of deregulation, lucrative government contracts, privatisations and utter one-party dominance, created a glittering orchard of temptation. Rules were bent, then abandoned. For much of the time, the Labour Party, was so bound up in its own gruesome agonies that the necessary scrutiny was lacking. The old public service culture of Whitehall and Westminster proved utterly unable to defend itself against the likes of Neil Hamilton.

It was not ideal that journalism became the *de facto* opposition to this. The best journalism is informative and sceptical about power, but not, in a democracy, opposed to power. Years of increasing opposition to the Thatcher and Major governments have left some journalists unable to distinguish between independence from politicians and knee-jerk hostility to them. Nevertheless, for a vital few years, the most damaging and useful probing of a governing party that had lost the old rulebook came from reporters and columnists. Without them, there would have been no Nolan report or Downey report, no rethinking of the Commons rules, and no unmasking of individuals. The greasy tenners culture would have spread further into government; the scandals would have been worse.

We hope that that period has now been brought to an end by Sir Gordon Downey and his employers, the MPs themselves. If the politicians have finally determined to take a grip of their own standards and image, then we are all winners. If the new Labour government has learnt, never to forget, the bitter lesson that hundreds of decent, honourable MPs can be tainted in the public mind by a handful of sleazy and protected fools then it need never suffer the Tories' recent agonies.

In a democracy we need to respect the motives and basic sense of public service of people elected to run the

country. Healthy scepticism about politicians is natural and healthy. But cynicism about politics as a trade is a kind of poison. That cynicism has been spread in the past few years by a few silly, greedy men. Sir Gordon's language was tough but necessary. They have let down not only their party, but the political system they were once so proud to represent.

Don't mention the quarter-finals

Well, it was fun while it lasted. Tim Henman (there's only one, so they say) gave us the best nationalistic burn of the tournament last Sunday by feeding off crowd partisanship to win through to the quarter-finals, there to be stuffed comprehensively by a cool, controlled German, Greg Rusedski (are the crowds quite sure he counts?) tried hard, but couldn't make it either. Which just goes to prove you can't have everything, and that justice only comes in small parcels. Hamilton goes down, the Aussies get wiped in a day, so we can't have a Brit in the semi-finals. It's a bit like the Budget really: you get decency with one hand, and a higher mortgage with the other. Something quintessentially British about that, don't you think?

LETTERS TO THE EDITOR

Budget takes tentative green steps

Sir: The Government's moves on domestic energy are disappointing in what was hyped to be a "green" first Budget ("A disappointingly pale shade of green", 3 July).

If the Government is serious about its commitment to carbon dioxide reductions - by 20 per cent below 1990 levels by 2010 - announced to such acclaim in New York last week, the necessary fiscal policies are needed now.

Instead of reducing domestic energy costs the Chancellor is encouraging energy consumption not energy efficiency - adding to our carbon dioxide emission burden and making job creation in the labour-intensive energy-efficiency sector more difficult.

Labour has previously called for and supported moves to reduce VAT on energy efficient materials in line with the VAT on domestic energy. Yesterday was their opportunity to demonstrate their commitment and yet the Chancellor opted not to take it.

Action, not a wider review, is required to address the UK's carbon dioxide emissions and meet our climate change responsibilities. The Chancellor's first Budget takes tentative first steps where bolder ones were promised and needed.

ROBIN PELLEW
Director
WWF-UK
Godalming, Surrey

Sir: Your leader (3 July) on the Budget asserts that "being green and political at the same time is a smart trick that no one has quite yet pulled off". But does not the proposed £900m for new and refurbished council houses and the £1.3bn on school building repairs offer just such a chance?

Amory Lovins, guiding light of the Rocky Mountain Institute, has shown how truly "normal" buildings can cost less than "normal" constructions. At least one in Britain. Not only are fuel and running costs dramatically cut but such buildings also provide a stimulating, nourishing environment with natural flows of light and air.

Gordon Brown wants "bright modern classrooms". As well as offering a wonderful environment for children at no extra cost, "green" buildings would stimulate and educate architects, designers and the construction industry to be at the cutting edge of the materials and technologies needed for the next century.

Left to the markets, nothing will happen. Government, with vision, and exercising leadership, however, can create a fast track by setting new standards. It wants to do just this with pupil's achievement. Why not do it also with their environment.

BRUCE TOFIELD
London N21

Sir: Gordon Brown's first Budget is to be welcomed for his proposals to help people with disabilities into work. The injection of £200m over five years into training and other support will help open up the world of work to a part of society that has been constantly marginalised. It is been constantly feeling working for Opportunities, a leading charity in the disability and employment field, to know that the massive contribution that people with disabilities can make to society is being properly recognised.

Opportunities has proved that, by working with people with



disabilities and employers on a case-by-case basis, it is possible to find appropriate employment placement - over 3,000 in the last three years. In this way we have been able to overcome the reluctance of many employers to employ people with disabilities and have begun to end their exclusion from society.

We are hopeful that the Government's detailed proposals will not encourage employers to take people with disabilities on short-term employment or training contracts only. This is an issue that often faces our clients today and we will be working to ensure that with help of this initiative it becomes an issue of the past.

DAVID BURGESS
Chief Executive
Opportunities for People with Disabilities
London EC2

Exploitation by security firms

Sir: Nicholas Long is right to criticise the inadequacy of the role given to lay observers of courts (Letters, 1 July). For some time now the detention areas in courts have been run by private security firms. If the observers had been permitted to do a proper job they may well have criticised the way privatised court services exploit their staff for profit. The security industry is notoriously exploitative. That is the only way it can be both competitive and profit-making.

After the suicide of Peter Austin it is to be hoped lay observers will no longer be put off with the excuse of "commercial confidentiality". As matters stand this can too easily be

used as a smokescreen at the higher levels of management both in the prison service and the private security industry to avoid their proper share of blame when things go wrong, as they are bound to do.

PETER RUSHWORTH
National Secretary
Prison Service Union
Pontefract, West Yorkshire

Sir: Your correspondent Nicholas Long has raised a valid point with regard to the toothlessness of the lay visitors when trying to correct deficiencies found during inspections of custody areas and prisoner transport.

I would also like to raise another worrying concern. When these services were privatised, or contracted out as the Home Office prefers to call it, my son was appointed as a prison custody officer with a company in southern England. He was contracted to work a 42-hour week, any overtime worked would be compensated for by time off in lieu. As things turned out my son and a large majority of his work colleagues ended up working anything up to 96 hours per week, a 72-hour week was considered a luxury.

When the work force asked for their time off in lieu they were told that there were not enough staff available to facilitate this. Some staff accrued weeks of "time to be taken". My son, wishing to have a family life, reluctantly resigned from his job, a job which he found both fulfilling and rewarding. My point is this. It is hardly surprising that dreadful errors like

the tragic case of Peter Austin occur when the staff are utterly fatigued from overwork. It must also be remembered that these officers also have to drive the custody vans having worked these long hours, no tachograph system is used. It is only a matter of time before another life is lost because of the working practices of the privatised prison custody/custody services.

I would join Mr Long in asking the Home Secretary to conduct a review, not only of the lay visiting procedures, but also of the working practices of the private prison custody companies.

P W L GREEN
Chesham, Kent

CDs: not such a high price to pay

Sir: Such a blatant misconception as Tom Heighman's claim (Letters, 1 July) that the retail price of CD albums has more than doubled in the last ten years, cannot remain uncorrected.

In March 1987, High Street retailers like us were selling the Top 40 CD albums for £9.99. Today, ten years later, we charge between £11.99 and £13.99, which represents a 20 per cent to 40 per cent increase - hardly the 100 per cent which Mr Heighman claims.

Where on earth is he buying his CDs?

ADRIAN RONDEAU
Proprietor
Adrian's Records
Wickford, Essex

Exhumation for aboriginal head

Sir: Next week will see the anniversary of the murder of Yagan. One of the best-known of Australian aboriginal leaders, he was shot on 11 July 1833 by a white youth. His head, cut off and smoked, landed up in the Liverpool Museum and remained there until, in 1964, the then Keeper of Ethnology - for reasons never explained - had it buried with other unwanted relics in an unmarked grave in Everton cemetery.

Now, as you have reported, his descendant Ken Colbung is in Britain and seeking the head's return. His request for exhumation has been backed by the Australian Prime Minister, John Howard, who on 29 June - after a visit to London in which the problem of Yagan's head was one of the matters discussed - offered to pay for the costs of digging the head up.

On Monday (30 June), the Aboriginal Torres Strait Islands Commission (ATSIC), representing Aboriginal communities, and the Nyongah people of Western Australia officially and unanimously authorised Ken Colbung to renew the application.

The previous Home Secretary refused a licence on the grounds that there were objections from the parents of several stillborns who lie in a higher layer of the same grave. But the Home Office have now been sent a technical study showing

that the head can be extracted without disturbing the stillborns, by sinking a shaft adjacent to the grave.

We therefore urge the new Home Secretary, Jack Straw, to give his permission now for a joint Australian-British commemoration of Yagan's death on 11 July. European beliefs about physical resurrection are so muddled that we no longer know what they are - or were. But today's Aborigines are more certain than we are that the whole body should receive appropriate funerary treatment before the spirit of a dead person can rest in peace.

KEN COLBUNG MBE
PETER UCKO
Director
The Institute of Archaeology
University College London
London WC1

The Dome: it's crystal clear

Sir: Your report on the spiralling costs of the public bill for the Millennium Dome (30 June) brings to mind Ruskin's remarks about Crystal Palace:

The quality of bodily industry which the Crystal Palace expresses, is very great. So far it is good. The quantity of thought it expresses is, I suppose, a single and admirable thought... that it might be possible to build a greenhouse larger than ever greenhouse was built before. This thought and some very ordinary algebra are as much as all that glass can represent of human intellect.

Plus ça change, plus c'est la même chose! Mandelson take note.

ROGER HEWELL
Bath

Form-filling Wimbledon

Sir: Richard Walker (Letters, 3 July) advocates "first-come, first-served, cheap entry, tennis for the masses" - but only those "masses" living within easy reach of Wimbledon.

Those of us who live further away would prefer more tickets to be available via the equally fair ballot - one only has to remember to write in October for the necessary form. Perhaps fewer corporate hospitality tickets at higher prices would achieve both aims.

MAIR GAUNT
Cardiff

essay

For sale on the Fourth of July

In 1776 the US was born, dedicated to 'life, liberty and the pursuit of happiness'. By 1997, this has come to mean 'deregulation', but, says Mary Dejevsky, Europeans should be wary of following them down this particular path

Say what you like about the free market, but it delivers: cheap housing, cheap food, cheap cars, cheap utilities, cheap services. Strip off the layers of state regulation, and all that liberated competition just beats down those prices for the benefit of you, me and everyone else. That is the picture of the United States, as consumer paradise, that American boasts are made of.

So successful is the US, according to conventional economic indicators, that its brand of deregulation took Britain by storm more than a decade ago (with a little help from Margaret Thatcher) and - if Brussels gets its way - is set to triumph across the rest of Europe.

Was it not in the cause of deregulation that the hapless Alain Juppé took on the French lorry drivers and the pilots of Air France? Was this not why Helmut Kohl risked the wrath of German steelworkers, and why both found themselves having to placate unhappy telecoms workers? Is the US not the shape of Europe's future?

Well, after three months as a "consumer" in the land of deregulation, I am a little more sceptical - and one of the most die-hard opponents of old-model Communism you could expect to meet - my faith in American-style *laissez-faire* is being sorely tested. It is not that the United States economy is not booming - it is: nor that many consumer prices are not lower than they are in most European countries - they are.

It is rather that there are significant areas of activity where, despite ruthless competition, there is no benefit to consumers whatsoever. On the contrary, we

are at the mercy of highly secretive and defensive businesses in which information is a deadly commercial weapon.

Consider the following. For my first weeks in Washington, I needed a hotel while looking for a flat and I set off to examine the options. At the first hotel, no one seemed to understand my question, let alone be ready to give an answer. For all the help given, I might have been soliciting the Lubyanka for one of the KGB's precious pieces of intelligence. In a way, I was.

What I wanted was a commercial secret - the price of a room. Not immediately for an emergency booking, you understand, but to compare it with prices and facilities elsewhere. On European innocence! This is something the system is specifically designed to keep from all but the *cognoscenti*.

In almost every marble-clad reception area, someone smart-suited had to be fetched from an office far away - the "marketing manager". The courier staff had no access to such sensitive information; they might, at a stretch, know what a room would cost for that very night, but they were rarely trusted with more. Price depends on demand, real and anticipated. It varies not just from day to day, but from hour to hour, depending on when a magic bar is reached that triggers a rise. There is no "standard" price for the ordinary consumer without the clout of a group, nor the possibility of negotiation.

The system has some perverse results. At one hotel, the price for one week was actually more than the price of one day times seven. "That can't be right," said the "marketing manager" when I

queried it, but it was - because the end of the week was going to be busy, so the prices had been jacked up.

Now pricing according to demand is an unimpeachable principle of the free market. But the drawback here is that you and I are not privy to the information we need to make a free choice. This is effectively classified, held in the deep recesses of the company computers. We have no opportunity to compare, nor even to judge the approximate price bracket we are in.

These practices, it is true, are the preserve of big-city chains. Smaller, privately run operations outside prime areas retain their charm and accessibility. But they are not in the high money stakes and it may be only a matter of time before many of them, like the few privately run high-street stores, are swallowed up by the big boys.

Something similar applies to hire cars. You can call around as many offices as you like; you may chance upon someone with a special offer, or you will not. Each operates the "bar" system, with rates that change from hour to hour according to market conditions.

The rate you were quoted at 9am for two days hence may be different from the one you are quoted at 11am when you have called three or four others to compare. As with hotel prices, you the consumer are excluded from a tightly closed commercial loop.

Which brings us to the iniquitous price of air travel in this consumer

heaven. Do you remember when deregulation of the American skies was going to lead to low fares and higher quality to most destinations across the US - and the world. Well, it did - for a while, and optimists think that it may do again.

For the moment, though, it will cost you three times more to travel two-thirds of the way across the US (Washington to Albuquerque, New Mexico, or El Paso, Texas) than to travel from Washington or New York to London. Absurd though it seems, travelling from Washington to Boston via London may be a money-saver.

If you really have to use a domestic route, the only way to reduce the price is to book several weeks in advance, and not change your mind or requirements. A Saturday-night stay may bring the price down a little, but not significantly. We are again in the land of the magic computerised bar, where prices are adjusted to the market - except that no one sells off last-minute seats cheaply. Less than one week before the flight, it is full price or nothing on most routes.

Two factors have brought US air travellers to this pretty pass. The ValuJet crash in the Florida Everglades made cheap flights by new no-frills companies suspect and boosted the more established companies. (The crash of TWA 800 off Long Island a year ago did not have the reverse effect.)

The other was a bout of route-consolidation among the bigger companies which has left many major routes with no competition. Where there is

competition, prices may be 50 per cent less than on routes where there is none. But the number of those routes is still in decline.

Deregulation or no, affordable air travel is no longer a feature of American life. In Europe, where airline deregulation is gathering pace, the trend is the other way - but for how long?

A fair objection would be that hotels, cars and planes are the concerns of a minority, even in America's highly middle-class society. Competition (and market size) have brought cars for the masses; competition (and vast space) have permitted cheap housing, compared with Europe. But consider the humble telephone. Even the most bargain-hungry of America's compulsive telephone-talkers are starting to grouse. The "downside" of telecoms deregulation - leading to middle-class dinner tables what house prices or builders are to their British counterparts.

The complaints are legion: repeat calls, usually at dinner time, from companies wanting you to "switch" to them on the basis of a "special offer" for one or other service; clogged long-distance and toll-free lines because companies have expanded their number of customers without sufficient lines to cater for them; directory inquiry services sited thousands of miles from the locality whose numbers are being dispensed - leading to recurrent and improbable errors.

But the biggest complaints relate to the complex and confusing tariffs: it is

virtually (deliberately) impossible to compare like with like, or even to obtain accurate information. Imagine the maze of mobile phone rates in the UK applied to your home telephone line, and you will glimpse the problem.

My attempts to persuade companies to fax me their rates failed at the first hurdle. "We can't fax." "But you are in the telecoms business." "Yes, but we can't do it from our computers." As with hotel chains, counter staff are not entrusted with this commercially sensitive information. You have to penetrate several layers further - and even they can't fax.

The awful prospect, however, is that the next stage of "deregulation" could make things even worse for consumers. The present telecoms chaos may leave gaping holes in customer service, but the cheapish tariffs for major trunk destinations are of some benefit. Now, a number of the companies that were privatised and divided are trying - like the airlines before them, and the privatised utility companies - to get back together.

Recent reports that the former monopoly and still largest US telephone company, AT&T, was planning to merge with SBC Communications to provide local and trunk phone services, for instance, aroused a mixed response: the tariff structure might become simpler and more open, but prices could rocket. My feelings on learning earlier this week that the deal was off were just as mixed. The two companies could not agree terms and were worried about regulatory approval. So the price war continues, but so does the chaos.

Since then, a US judge has prevented a merger between the two highest US office supply companies, Staples and Office Depot, on competition grounds. But unconditional approval has been granted to the takeover by the giant aircraft company, Boeing, of the only other US aircraft manufacturer of any size, McDonnell Douglas - a merger which the European Commission is currently questioning on its own account.

Watching the consequences of deregulation in American-style as a "consumer", I find it hard not to conclude that, while the early effects of competition are highly beneficial (the service in the still highly regulated US banking sector is considerably more expensive, less efficient and less consumer-friendly than in Britain), the advantages can soon wear off.

The pressure on companies to keep prices low and turn a profit can reduce service and quality. Low-paid junior staff - the ones who face the customer first - can be ill-informed, sullen and reluctant. Bigger companies, moreover, will use their market position to minimise the effects of competition. They track other people's prices in secret so as to raise their own to the maximum that this (artificial) market will bear. They strive - through buyouts, mergers, or restricted information - to gain or near a monopoly position as possible.

It is not true that the interests of big companies and small consumers are equally served by competition. The instinct of America's big companies, no less than that of Europe's state monopolies, is to stifle it. The market may rule, but without rules to foster continual competition, it seems to degenerate, sooner or later, into a dog-eats-dog struggle for survival.

Some years ago, a journalist travelled to the post-revolutionary Soviet Union and reported, famously, that he had seen the future and it worked. I hope I have not seen the future here in the United States - because it does not always work, at least not for you and me. Until then, anyway; best wishes for a Happy Fourth of July.

PIESTLEY



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A considered reply to the rainfall tax

So, how will this new rainfall tax work? Well, every time it rains for a long time, somebody somewhere makes a lot of money out of it.

Obviously that's not fair. No. So the Government is going to tax the people who make a lot of money out of rainfall.

Right. That's the gist of it. Thank you very much. Is that the end of the interview?

Well, that seems to wrap it up, doesn't it? I don't think that's what they call an in-depth interview.

Oh, isn't it? No. Better ask some more probing questions.

Right. Were there we? You were saying: "So how will this new rainfall tax work?"

Oh, right. So, how will this new rainfall tax work exactly? That's interesting.

What's interesting? You added the word "exactly".

Did I? Yes, I suggested that you said, "How does this new

rainfall tax work?", and you said, "OK" and then you said, "How does this new rainfall tax work, exactly?"

Did I? Yes.

Why did I do that? Because interviewers these days have discovered that they sound more intelligent if they ask stupid questions in an intelligent-sounding way.

That's interesting. Can you give me another example? Certainly. One of the interviewer's favourite questions to politicians who have programmes to implement is this: "Where are you going to get the money from?"

Ah! And to make it sound more intelligent they say: "Where are you going to get the money from, exactly?"

No. They say: "So, what areas are you going to target to find the additional resources in order to source the funding for this initiative?"

Blimey... What does that mean?

It means, "Where are you going to get the money from?"

I get you. So...



Miles Kington

So you ask me who this rainfall tax is going to affect. Right. So, who exactly is this new rainfall tax going to target?

Excellent... Well, there are some people in the world who make enormous amounts of money out of rainfall...

Good heavens! Are there really?

Oh, yes. Name some. Rice farmers. Umbrella manufacturers. Hydro-

electric engineers. Water company tycoons. Deep-sea divers. Manufacturers of tumble dryers...

Manufacturers of tumble dryers?

Yes. Every time it rains, it means people can't hang their washing out to dry, so more people buy tumble dryers.

Right. So, who else makes money out of rain? Hairdressers. Bookmakers. Ornamental pond salesmen. Make-up manufacturers. White-water raft companies. Raincoat makers...

Yes, yes. I get the point. Just a moment. Bookmakers? How do bookmakers make money out of rain?

Bookmakers make money out of everything.

How do they make it out of rain?

Well, let's say two friends decided to have a bet on which of two raindrops got to the bottom of a window first...

They wouldn't go to a bookie to place their bet.

True. All right, have you ever thought that every time an event on which lots of money is wagered is rained

off, the bookies keep it all? Is that true?

I think so. Fishermen. Farmers. Taxi drivers. Marquee hirers. Owners of village halls...

How do owners of village halls make money out of rain?

Have you never seen the sign "If Wet, In The Village Hall"?

Hmm. And taxi drivers? Every time it rains, pedestrians jump in the nearest taxi.

Right. So we have all these people who make a fortune out of rain, right?

And the Government is going to soak them?

Ha ha. How will it do it?

How will it do what? I'm sorry, I mean, how will this new tax be implemented exactly?

Well, every time it rains.

Miles Kington writes: I am sorry, I have just been informed that it is a windfall tax that is being introduced, not a rainfall tax. Please ignore this interview and tune in again on Monday.

A clear response to the cash for questions MPs

It was worth the long wait. Let us be kind and put down to shock the desecrating silence which was Conservative Central Office's first reaction yesterday to Sir Gordon Downey's report. For it is a tribute to it that it retains the capacity to shock even after the millions of the words written and spoken about sleaze in the last parliament.

Neil Hamilton, still fatuously protesting his innocence of the "central charges" until the last (for those TV stations prepared to pay for interviewing him) is bashed to rights. Sir Gordon, contrary to Hamilton's confident expectations, had no compunction about concluding that he did indeed take cash in brown envelopes from Mohamed Al Fayed for asking parliamentary questions.

At least two other MPs, besides the wretched Tim Smith, would almost certainly, we now know, have had to resign had a trick of Tory timing not prevented publication of the report before the election. How astonishingly lucky, therefore, for William Hague that, like Jonathan Aitken, neither Hamilton, Michael Gyles (who stood down) nor Sir Andrew Bownen nor, perhaps, Michael Brown survived the election.

The robustness of the Downey report – which wasn't universally expected – is a big step forward for those confident that a reformed Commons can regulate itself. It is hard to see how even a Standards and Privileges Committee as heavily dominated by the Tories as the present one is by Labour could have upheld appeals against verdicts as painstakingly supported by evidence as these. Sir Gordon's report is a cheering vindication of the faith put in the appointment of a parliamentary commissioner by Nolan. Optimists have been saying for some time that they belong to a culture which has already been transformed by Sir Gordon's appointment, and the tightening of the rules for commercial interests enacted in the last parliament. Any MP offered such an interest now knows that he acts at his own risk if he fails to pick up a telephone to check with Sir Gordon's office. Even the dry *passim* judgements of the report – "There is a general obligation on members to the effect, 'If in doubt, register'. Mr Hamilton seems to have adopted the opposite principle and, if in doubt, gave himself the benefit of it" – are a reminder of the necessity that can overtake MPs if they take the risk. Sir Gordon has done the business.

It may seem churlish, therefore, to say that the system still has some way to go before it can be said to be perfect. Not every case will necessarily be as clear-cut. Not every MP on the take as breathtakingly arrogant or careless about covering his tracks as Hamilton or Smith. This means, first, that when Lord Nolan's committee comes to review the system, probably in the next parliament, it should con-



Donald Macintyre
The robustness of Downey is a big step forward for those confident that a reformed Commons can regulate itself

Willetts such a hard time in cross-examination. But supposing they hadn't been around, or that the Tories had had a much bigger, and more easily manipulable majority – the conclusions might be very different. Labour MPs naturally throw up their hands in horror at the idea that a large majority on their side would ever yield to such political pressure. And tough, awkward MPs like Dale Campbell Savours and Alan Williams never would of course. But there is an important sense in which self-regulation won't be fully tested until a sitting Labour MP has had to be dealt with.

But that's for another day. Downey illuminates the closing rotten years in which Tory MPs were on the take and got away with it. John Major can't escape some of the blame for appointing as ministers MPs like Aitken and Hamilton whom Thatcher, with much better judgement, had overlooked. Royston Webb, Mohamed Al Fayed's ex-lawyer, testified to Downey that the lobbyist had told him of being besieged after the 1993 election by Tory MPs seeking consultations like "taxi drivers... for hire". The Tories will say that Downey reflects an era which has ended. But if Hague really wants to draw a line under it, he needs to express his own horror and determination to prevent a repeat. He should start by expelling the miscreants from the Tory party.

Hollywood's fantasy about sex and the stars

by Suzanne Moore

There is coming out and coming out. Rupert Everett came out years ago as a homosexual. Now this charming man has come out as a former prostitute, or "rent boy", and Hollywood is nervous that this actor's "new-found bankability", a scene-stealing performance in the Julia Roberts vehicle *My Best Friend's Wedding*, will be short-lived. Why should this be? Are we really so astonished that someone who performs for a living should have performed sexual favours for money, that someone who makes a living partly through selling their sexuality should have sold some real sex? What has the casting couch been used for over the years – knitting?

Only a few weeks ago we were persuaded to believe that the door of the celluloid closet had creaked open slightly, with the sitcom star Ellen cavorting with Clinton. Whereas lesbian chic is a stimulating idea for the mainstream press, "sordid" gay prostitution is something else altogether. It is easier to pretend that the line between happy homosexuality, and a kind of gay lifestyle where it is not unknown for people to drift in and out of prostitution and not be stigmatised, is firmly drawn, just as we like to kid ourselves that the heterosexual men who go to prostitutes are not the men we know. When the contents of Heidi Fleiss's little black book were revealed to include the names of several Hollywood stars, no one was very dismayed. Paying for sex is manly; being paid for it is a sign of emasculation.

What, though, do we pay our stars for, if not to stimulate sexual fantasies? Of course, this is not all that cinema is about, but it sure as hell helps. Acting itself is not prostitution, though most great actors will have done things they are ashamed of and audiences are not all sleazy punters, though most of us will have paid for a quick thrill and felt cheapened by it. But they are parallel careers in that they both involve the mechanics of arousal, desire and the necessary deferral of gratification that keeps us coming back for more. One cannot, whisper it low in case Gordon Brown hears, remove the selling of sex from the selling of cinema, however many tax subsidies you give to the film industry.

Yet the dream factory itself cannot cope with the demands of its own market-place. Stars are supposed to be available both as fantasies and in real life. Thus the knowledge that a lead-



Idol moments: (clockwise from top right) James Stewart, Sylvester Stallone with Julianne Moore, Rupert Everett, Robert Mitchum, and Tom Cruise

The movie industry assumes one must be bonkable to be bankable. We don't want former rent boys as lust objects, now, do we?

ing man is gay is considered damaging, as the actor will no longer be credible in romantic roles. Whatever happened to the notion of acting? Or to the suspension of disbelief? The assumption that acting is about playing at being someone else? The persistent rumours about the sexuality of a Tom Cruise or a Richard Gere can only be kept in circulation because we know actors are not always what they seem. Indeed, that is their job. Jimmy Stewart was not what he seemed, as the obituary this week has shown. As the gulf between the characters he played and his real life was political rather than sexual, no one seemed to mind very much. His appeal was as an "every-

man", as someone who wasn't even acting in the first place. "You were looking at a man, not an actor. You could see this man's soul," eulogised the director Frank Capra. Stewart himself was bewildered about what he was doing. "Sometimes I wonder if I am doing a James Stewart impersonation myself." This impersonation often involved playing liberal, easy-going pacifists. In reality Stewart backed Nixon, was a good friend of Reagan and was hawkish about the Vietnam war. Did this detract from his screen presence? Not one iota.

Stewart shared with that other great actor, Robert Mitchum, who also died this week, an approach that meant

not letting the "acting show". Günter Adair's obituary of him brilliantly describes the "almost imperceptible virtuosity of American movie actors". Mitchum, who shrugged off his career as better than working, and saw himself as a hired hand rather than an artist, was judged to have been "incapable of self-reflection". What a relief that is in the days when actors struggle so often in interviews to conjure up the enormous difficulties of their chosen profession. Mitchum's louché sexual presence, his ability to convey real evil in both *The Night of the Hunter* and *Cape Fear*, appear instinctual. When Robert De Niro played the same part in Scorsese's re-

make of *Cape Fear*, he became a method monster, tattooed up, snarling and seductive. This was perceptible virtuosity, but not half as scary as Mitchum's casually psychotic menace.

Nowadays so much screen acting is showy. It is acting about acting: acting that refers to other parts that the actors have played. Look at Pacino and De Niro in *Heat*, trying so hard that it hurts. If Stewart and Mitchum were, as has been claimed, the last of Hollywood's great leading men in that they could effortlessly embody "authenticity", today's actors have a harder time of it because they are left with merely impersonating the authentic.

The old stars have been replaced with blank boys such as Keanu Reeves and Brad Pitt, edgy over-actors (see above), out-and-out weirdos, Harvey Keitel and Christopher Walken, or complete non-starters – the Schwarzeneggers, Stallones and Van Dammes – who don't even pretend that they are acting in the first place. A good man, as opposed to a bad one, or a boy, is hard to find. Until then we have to make do with the decidedly grown-up Harrison Ford, or trying to fit small-screen stars such as George Clooney into big-screen roles and even bigger copdices.

The star system may accommodate slightly more flexible versions of masculinity; but after several years of *Hollywood Babylon* revelations, it is still paranoid about male sexuality. In this, as in so many other areas, it underestimates the intelligence of its audience and presumes that fantasy and fact are inseparable.

For stars such as Everett – and Everett is a star in the definition of a star means that when he is on screen you don't want to watch anyone else – the assumption remains that one must be bonkable in order to be bankable. We don't want former rent boys as lust objects, now, do we? Well, yes, as long as we pretend we don't know about it.

The separation of an actor's life from his work is subject to endless speculation and made more complicated by the culture of celebrity, which strives always to deny that such a gulf exists. Yet we must insist on it, otherwise the very notion of acting becomes meaningless. What you see is not always what you get, and that is in fact what you are paying for. Unless we realise this, we might as well throw in our lot with James Stewart, who, in his role in *Harvey*, once said: "I've wrestled with reality for 35 years, and I'm happy doctor. I finally won out over it."

The waning of Middle England

The loss of quaint rituals and cultural traditions threatens our national identity, argues Clive Aslet

Military ceremonial, feathered hats, a tearful governor, the Royal Yacht, torrential rain – the handover of Hong Kong was the sort of show that could only have been put on by the British. "They seem to have been impressed by the precision," said my deputy, speaking of the 8,000 other journalists who were with him to witness it all. But what did Tony Blair make of it? I wondered, when I saw him, bright-eyed and schoolboyishly wind-blown, on television. A chap whose gorge rises at judges' wigs and the silver aspects of parliamentary tradition may well have felt there were too many eggs in the pudding.

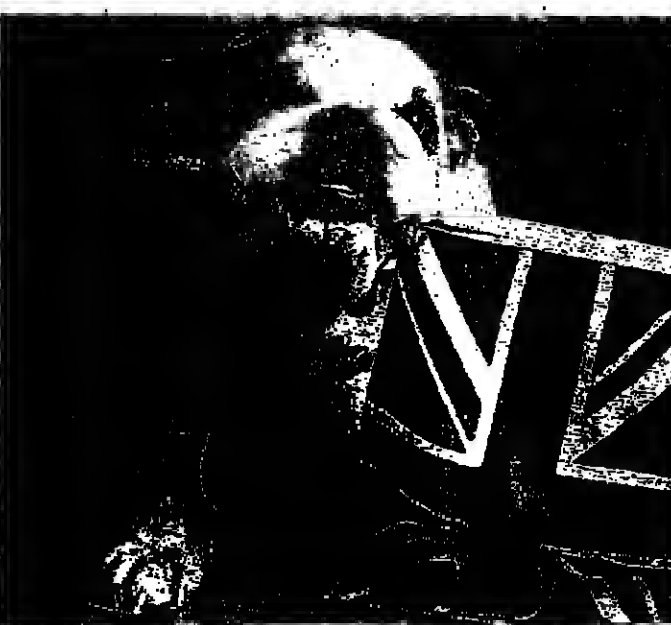
Now that the Prime Minister is home, he will no doubt continue with his mission to modernise what he clearly regards as a stuffy old country, whose quaint rituals and traditions offend against the managerial style of New Labour (New Model Labour, as it is coming to be called, from the Cromwellian tendency of its leader). No government minister has been allowed to attend the Chelsea Flower Show, Royal Ascot or any of the other big events of this damp summer, at which tradition is celebrated with gaiety. We do not yet know what sort of nation Mr Blair wants us to become – though I fear that the ghost of Praise-God Bearebones will hover over it. My worry is that the process of change will cause us to feel even more uncertain about who we are now. In the last few days I have been plugging the soul of Middle England, through the medium of local radio. Confined within a cubicle at Broadcasting House, a charmingly dysfunctional set of headphones clamped to my ears, I have sought to excite the listeners of Radios Cornwall, Essex, Nottingham, Derby and others about my book, *Myone for England*.

The premise of it is that the commonly-held assumptions about being British with which I grew up will not be inherited by my two-year-old son. It is not just that the old shared val-

ues have been replaced by others, but that there are fewer shared values at all. My observations can only be personal; I imagined a lot of people would have them. In the event, I found a gratifying but entirely unexpected number of listeners agreeing with me. People do seem to feel that their national identity is waning. Middle England believes it has become the hole in the Polo mint.

A desire for belonging is a fundamental human need. It is a need, however, that has been denied by the fragmentation that characterises modern life. Families do not cohere; people move home frequently; they are just as reluctant to join political parties as they are to attend church; once-monolithic corporations have downsized. There are fewer and fewer opportunities for all of Britain to be doing the same thing at the same time. Take the ritual known as watching the *Nine O'Clock News*. Once, the whole nation gathered around the domestic idol of the television set, to receive knowledge of the day's events from the BBC. Now the multiplicity of choice in TV channels reflects the car window tendency of everything that once looked immemorial to shatter.

And yet the urge to belong is as deeply felt as ever. At the personal level, it can be seen in the new fashion for family history. Up and down the country, local history libraries are thronged with amateur genealogists, tracing their roots. This passion used to be associated with recently formed nations such as the United States. The



British did not bother with it much, because, as the American conservationist David Lowenthal remembers having told by British colleagues in the States: "We don't need those family details; we have a secure national identity." The frantic desire to recapture that old security explains the colourful outburst of Henmania at Wimbledon, when fans were as desperate to demonstrate their togetherness in adulation of their hero. The nation found a similar outlet through the VE and VJ Day commemorations. I would have high hopes of the Millennium Experience at Greenwich, were it not that the appointment of Cameron Mackintosh and Michael Grade seems guaranteed to create a spectacular for American tourists, rather than a celebration of our common past which could go some way to correcting the woefully inadequate teaching of history in English schools. By coming together at events such as

Greenwich the nation cements its culture. Do not reach for your revolver; I am not referring to artistic culture, but the general context in which we live. Once, this provided guidelines for the kind of behaviour with which the British were comfortable. They behaved politely towards one another. They did not urinate, spit or belch in public. They did not beg. They were tolerant of one another's peculiarities, because they were confident in the ancient democratic processes by which a benign providence had caused their existence to be ordered. The loss of respect suffered by democratic institutions is probably the greatest change to have overcome Britain in my lifetime. Slence at Westminster – a card rather overplayed – is only part of it. Our public inquiries are the most laboriously democratic of any in the world, and yet Swampy and his cohorts set it just the Swampy. Out with their opera-disrupting Strimmers, the prosperous neighbourhood of Garsington Manor are much the same.

We were, of course, terribly uptight. The title of the farce *No Sex Please, We're British* expressed an immediately recognisable attitude. Divest someone like me of his inhibitions, and there wouldn't be much left. It is possible for repression to go too far. It causes people to dash across cricket pitches and tennis courts without clothes, thinking they will shock spectators. On the other hand, there was an acceptance of a manner of behaviour that made people feel easy.

"The Englishman hates to reveal himself; in fact it is considered bad manners to talk about oneself," remarked the German Kurt von Stutterheim in a book about the English in 1937. It was an assumption with which I grew up. The secrets of a marriage, for example, were things that the rest of the world should never know. The Princess of Wales danced on that, and her behaviour will set a norm.

This culture – the culture of tradition – was expressed in emblems such as the telephone box, tall policeman's helmet and red London bus. These symbols were unique; yet any expression of regret at their passing is regarded as laughable. Foreign visitors must think we are mad. The latest depredation upon a familiar icon has been to turn the backs of London buses into enormous moving billboards, advertising jeans and cosmetics. The back of a bus has never been a synonym for beauty, but this contribution to the street-scapes is – yes, I shall say it – vulgar. By using the word I risk condemning myself as elitist. Yet there was a time when it was accepted that the streets of the capital should be regulated to the highest standards.

We should hesitate before casting these national symbols overboard. They mean something. They take a long time to establish. Oddly, it is always the English dimension in the Union which gets jettisoned. I do not hear Mr Blair saying: we must modernise Britain, so let's end the teaching of Gaelic in Scottish schools, we'll have no more dual-language road signs in Wales. Parliament will have a free vote on banning archaic practices involving the death of animals, such as the slaughter for halal and kosher meat. However, if young English people grow up to believe that they do not have a culture in which they can legitimately take pride, their natural group instinct may find an outlet in jingoism, racism and violence.

The writer is editor of *Country Life*.

MIND STRETCH

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City fall-out looms from obscure Budget measure □ Sterling remains buoyant □ Utilities recover

Panic as investment banks face £1bn loss

Diane Coyle
and Andrew Yates

An obscure tax measure in the Budget could cost the City of London well over £1bn, experts warned yesterday.

The potential losses facing some individual investment banks could reach hundreds of millions of pounds, although the exact figures will not be known until full details of the measures are published with next week's Finance Bill. The full extent of the blow emerged as the FTSE 100 index leapt to a new record yesterday. It ended more than 80 points higher at 4,831.7.

BZW is one of the banks thought to be especially vulnerable to big losses from the Chancellor's unexpected decision to close a tax loophole.

A BZW spokesman said: "We do not believe the Budget

will have a material impact on Barclays or BZW's first-half earnings. However, based on our understanding of the situation, we do foresee some potential loss of future earnings.

"It is too early to evaluate the financial impact of the changes but the numbers being suggested, amounting to hundreds of millions of pounds, are unfounded and ridiculous."

BZW refused to comment on whether its losses were material or on rumours that it was poised to abandon its market-making altogether as a result of the hit from the Budget change.

"This would affect all the big banks. It could have a huge impact," said one leading analyst yesterday.

Other institutions said yesterday their losses as a result of the move would not be large, but the City was awash with ru-

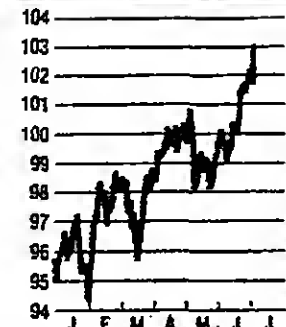
mours that one large market-maker was in serious financial trouble. The extent of the panic in the stock market was such that there were even unsubstantiated rumours of Bank of England involvement.

UBS denied it was one of the biggest victims. A spokesman said: "A final assessment cannot be made until we have seen the detailed provisions of the Finance Bill. But we do not expect it to have a material impact."

However, industry sources said UBS could still be very exposed. It is understood to be the biggest player in the market for the contracts backing guaranteed bonds issued by insurance companies, but most of the major banks are exposed to these.

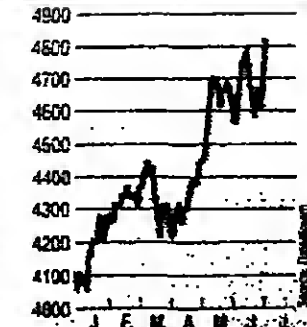
"If the income from dividends falls by just 1 per cent it can have a devastating effect. Most of the contracts last for 10

Sterling index



years, so a bank's income could fall by at least 10 per cent. That could cost them hundreds of millions of pounds if not more," said one source yesterday.

FTSE 100 index



The contracts with a host of building societies and insurance companies to provide guaranteed income bonds for their customers mean the banks have to create an income stream by investing in complicated futures and options.

The reduction in dividend income as a result of losing tax-exempt status will sharply cut the return the banks can expect to achieve. Many are exposed to potential losses on the derivatives trades.

Equities derivatives contracts are calculated on the old tax-free dividend basis. The income stream according to which they were originally priced has been sharply reduced by the end of the tax exemption.

The direct effect of the tax change will cost securities traders £500m over four years, the Inland Revenue estimated yesterday. It said the move was designed to clamp down on a tax incentive for big investment banks to opt for dividends rather than trading profits.

Even without taking into account the huge indirect effects, it could lead to some institutions withdrawing from market-making.

A Stock Exchange analysis last autumn showed the business was generally unprofitable.

John Whiting, a partner at Price Waterhouse, said: "This new move is flagged as hickling a loophole but the net effect is penal. Market-making is not very profitable, and this will make it even less so."

The Inland Revenue was contacted by several concerned banks yesterday, all seeking further clarification of the "tax leakage" measure.

The unexpected move, contained in a press notice issued after Gordon Brown's Budget on Wednesday, ends the tax exemption on dividends on shares held by dealers. From Budget day, dividends will be treated for tax purposes as part of their trading profits, and liable to tax. This will yield £500m directly by April 2001. However, indi-

rect losses due to the Budget could be much greater.

"This could cost the banks up to £1bn," Paul Worsfold, another partner with Price Waterhouse, one of the biggest accountancy firms in the UK, said yesterday.

Some traders will have contracts based on underlying dividend flows on shares they do not hold. Some analysts suggested this helped explain the surge in the stock market yesterday, as some banks rushed to buy the underlying shares, hedging this liability.

Anthony Rush, a senior manager at accountancy firm Coopers & Lybrand, said: "The measures introduced by the Chancellor fundamentally change the manner in which UK dividends in the hands of securities traders are treated."

Comment, page 23

Rate rise expected as pound soars further

Diane Coyle

The pound hit its highest levels for six and a half years yesterday in the aftermath of the Budget. Although Gordon Brown, Chancellor of the Exchequer, insisted yesterday that he had taken tough measures to reduce the pressure on interest rates and the pound, the Bank of England's monetary policy committee was widely expected to increase the cost of borrowing after its meeting next week.

The pound ended the day at DM2.95, its old central parity in the European Exchange Rate Mechanism. Its index against a range of currencies rose to 103.5, the highest since the beginning of 1991, up from 101.7 before the Budget.

"The tax changes in the Budget will have a negligible impact on the economy. The Chancellor has handed the responsibility—and the blame—for managing the economy on to

Eddie George," said Adam Cole, UK economist at James Capel. Mr Brown said yesterday that he wanted a stable and competitive pound. "I wanted to mitigate the pressure on exporters," he said.

He said the Budget had set in place a framework for long-term stability which would boost investment. The new rules for government borrowing were extremely tough.

"When people look in detail at the figures they will recognise it as a significant fiscal tightening," Mr Brown said. He added that the reduction in mortgage interest tax relief and increase in stamp duty would stabilise the housing market.

However, many economists disagreed with this claim. David Miles, professor of economics at Imperial College, said: "There must be a lot of very relieved estate agents. If he was trying to put the brakes on the housing market, this won't do it."

Fresh evidence on the buoyancy of the service sector of the economy boosted the expectation that the Bank will take action very soon to prevent a full-blown consumer boom.

The newly established survey of services by the Chartered Institute of Purchasing and Supply, showed that activity remained very strong last month, although it had slipped back from May's heights. Expectations for future business picked up in June.

The Confederation of British Industry's monthly survey of the high street showed a pick-up in activity in June. Apart from footwear and leather goods retailers, all sectors reported an increase in sales from a year earlier and said they expected a further improvement.

Alistair Eperon, chairman of the CBI's distributive trades panel, said: "At first glance, the Budget seems unlikely to upset these expectations."

Companies may go abroad to avoid double taxation hit

Sameena Ahmad

Some of the UK's biggest overseas earners were up in arms yesterday over the Chancellor of the Exchequer's plans to abolish foreign income dividends. SmithKline Beecham, BAT Industries, Glaxo Wellcome, RITZ and Reckitt and Colman were among those objecting to the Budget proposals which expose companies making substantial non-UK profits to a double taxation hit after April 1999.

Privately some even raised the possibility of moving their domicile outside the UK. Analysts estimated the move, which could cost UK companies more than £400m a year, would lead to a sharp increase in the number of companies choosing to pay their dividends as "Fids" before the 1999 deadline.

Hugh Colman, finance director of the SmithKline Beecham drug giant, which makes in excess

of 90 per cent of its earnings from outside the UK and pays half its total dividend as a Fid, said yesterday the move could force some companies to leave the UK. "It is a possibility. It is an alternative if this proposal goes through. It is one of those issues that SmithKline Beecham has considered," he said.

Mr Colman said he would lobby Labour to modify its plans. "We would have expected the Government to put a cap on Fids, so that companies which make, say, over 40 per cent overseas can still pay dividends in this way. I hope we will find some way to compromise on this issue."

Michael Pridemore, a spokesman for BAT, said: "This is completely inequitable. I can't believe that a supposedly pro-business government wants to penalise UK companies. We will be arguing our corner. There are a lot of companies affected."

RITZ, the world's biggest mining group and based in London, was known to be deeply unhappy and Glaxo Wellcome said it was "disappointed" and would "make our views known".

David Saltmarsh, company secretary at Reckitt and Colman, said: "We have until 1999. This is a double taxation on our overseas profits."

Companies most affected by abolition of Foreign Income Dividends

Company	Fid as % of gross dividend	Proportion of earnings made overseas, %
Alfred Deneen	57	48
BAT	50	81
BTR	100	83
Burmah Castrol	33	92
Coats Vytella	42	83
Delta	72	52
FID	42	83
Glaxo Wellcome	25	92
Inchcape	60	89
Lasmo	100	71
Lorha	42	96
Reckitt & Colman	40	89
RITZ	70	92
Serapi	8	53
SmithKline Beecham	5	93
Taylor Woodrow	62	45

allow companies to top up their UK dividends without damaging their earnings growth. Abolishing Fids will force companies which want to maintain their level of dividend growth to pay more ACT or could lead to cut in dividends. The companies hardest hit will be those such as Lasmo, BTR and RITZ which use Fids extensively.

Phil Collins, UK equity analyst at James Capel, said: "These companies will either now disappear from the UK altogether or will start paying Fids so that investors will accept a lower level of UK dividends later."

Though most observers argued that leaving the UK was the "nuclear option" and may be used as an argument to persuade chancellor Mr Brown to change his decision. According to Mr Saltmarsh: "If there is no other solution, if the government remains unreasonable, it may be the last resort."

Holiday is over for companies' pension schemes

Roger Trapp

Pension contribution holidays are set to be abandoned by many leading companies in response to the Chancellor's abolition of the tax credit on dividends.

With the corporate sector due to put up £9bn to £10bn over the next 10 years to cover the predicted shortfall, actuaries report that many finance directors are asking if they are going to have to restart or increase contributions earlier than they thought.

Though most FTSE 100 companies contacted by *The Inde-*

pendent yesterday said it was too early to say what they would do, analysts at BZW suggested before the Budget that among the companies likely to be hardest hit by the widely predicted changes would be British Steel, ICI, Rolls-Royce, British Telecom and British Aerospace.

Martin Slack, senior partner of actuaries Lane Clark & Peacock, said yesterday that companies from all sectors were concerned and had started to contact the firm.

BT expects to have to top up its pension fund, while the Post Office suggested it might have

to increase the price of stamps to cover an increase in contributions. But drugs companies Zeneca and Glaxo Wellcome, oil company Shell Transport and Trading and supermarkets group Asda said their funds were adequately funded for the immediate future.

The Post Office, which could see £1bn knocked off the £12bn value of its two funds, would not rule out an increase in the price of postage stamps as a result of the ACT move. It is seeking a meeting with the Department of Trade and Industry about how it can meet the cost, which it will

find difficult despite recording record profits of £577m last year. British Telecom, which had a £800m surplus in 1995, is also expected to have to put further cash into its £200m pension fund.

The claims of shortfalls in pension funds brought a robust response from Alistair Darling, Chief Secretary to the Treasury. "It is not unexpected that the National Association of Pension Funds and others would pile in if any change at all were made in the system of taxation," he said.

Mr Darling claimed the combination of abolishing the div-

idend tax credit and cutting corporation tax would boost investment and profits and allow companies to make higher pension contributions, while the Chancellor, Gordon Brown, said: "The pension funds have very big surpluses. Indeed many companies have got pension holidays at the moment."

The reduction in tax on profits from 33 to 31 per cent was an "attempt to sugar the pill" said one financial adviser, but its benefits were far outweighed by the 1.5 to 2 per cent addition to wage costs that companies seeking to maintain pension

funding would have to meet. Tax experts have also repeated suggestions that the move, which the Treasury says will raise more than £5bn a year, will reduce rather than increase investment by diverting funds.

Organisations with final-salary schemes will be legally obliged to increase contributions to meet existing and future liabilities. But a further move away from final-salary schemes to money-purchase plans is widely predicted.

Additional reporting by Sarah Gillinson and Trudy Patel. Cost to individuals, page 12

Utility shares bounce back

Chris Godsmark
Business Correspondent

Utility company share prices soared on the stock market yesterday, despite the heavier-than-expected levy payments for water and gas businesses, as dealers welcomed the confirmation that the tax would be a "one-off".

Only Hyder saw its shares marked down after Gordon Brown, Chancellor of the Exchequer, landed the Welsh multi-utility with a bill of £282m, equivalent to a quarter of its market value. Directors of Hyder spent the day locked in a financial review.

"We want to come to a conclusion as soon as possible to stop speculation and rumour," said a spokeswoman. Analysis said it could raise the company's gearing levels to 170 per cent. Hyder shares fell 14.5p to 80p.

The highest gainers included the power generators, with National Power shares surging 35.5p to 569.5p, an increase of more than 6 per cent. PowerGen's share price ended 41.5p higher at 771p. Even BGC, the re-named British Gas pipeline business which will have to pay £513m to the Treasury, saw its share price rise 9p to 238p.

Angela Whelan, utilities analyst from Credit Lyonnais

Laing, said: "The key thing is not the scale of the tax, but the removal of uncertainty. It's now gone in a clean way and the Treasury won't be coming back."

Thames Water described its £230m charge as "vulnerable". David Luffman, finance director, said: "The windfall tax is not materially harmful. The Government has made clear it's a one-off." Thames shares rose 26p to 766p.

But the precise tax bill for two companies, British Energy and the airports operator BAA, remained shrouded in confusion. BAA estimated its levy at between £70m and £100m, though some City calculations put it much lower.

Russell Walls, the financial director, said BAA would have to wait for the publication of the Finance Bill on Monday to finalise its bill. The confusion stemmed from the different flotation share prices in 1987 for small investors and City institutions.

Though BAA was pleased it had a relatively small bill, Mr Walls criticised the Treasury formula: "It doesn't strike me as terribly logical. I suppose they had to find some way of raising the money they needed but the 23 per cent figure seems a somewhat arbitrary number."

STOCK MARKETS					
Index	Close	Day's change	Change (%)	1996/97 High	1996/97 Low
FTSE 100	4831.70	+80.30	+1.7	4831.70	4056.60
FTSE 250	4475.20	+3.90	+0.1	4728.40	4431.30
FTSE 350	2620.90	+31.70	+1.4	3220.90	2617.30
FTSE SmallCap	2227.19	+0.33	+0.0	2374.20	2178.29
FTSE All-Share	2269.38	+28.94	+1.3	2269.38	1989.78
New York	7884.05	+88.67	+1.1	7796.51	5032.94
Tokyo	20721.41	-75.01	-0.4	20681.07	17303.85
Hong Kong	15056.74	-141.05	-0.9	15196.78	12055.17
Frankfurt	3887.39	+32.63	+0.8	3887.39	2848.77

Source: FT Information

INTEREST RATES					
Short sterling*	UK medium gtd	US long bond			
1 Month	1 Year	Medium Bond (%)	Year Ago	Long Bond	10 Year Ago
UK	6.75	7.50	7.05	7.93	8.04
US	5.50	6.00	6.25	6.81	6.86
Japan	0.66	0.81	2.20	3.24	-
Germany	3.51	3.47	5.81	6.55	6.48

CURRENCIES

Year	Rate
1980	1.60
1981	1.70
1982	1.80
1983	1.70
1984	1.80
1985	1.90
1986	1.95
1987	2.00

Year	Rate
1980	2.50
1981	2.40
1982	2.50
1983	2.40
1984	2.50
1985	2.60
1986	2.70
1987	2.80

Year	Rate
1980	160
1981	170
1982	160
1983	170
1984	170
1985	170
1986	170
1987	170

Other West exchange rates and US Spot rate at 1200 hours

Pound

	Yesterday	Change	Year Ago
£ (London)	1.6638	+3.35c	1.5590
£ (New York)	1.6815	+1.4c	1.5832
DM (London)	2.9480	+5.51p	2.3777
¥ (London)	191.204	+32.385	172.379
£ Index	103.5	+1.8	85.8

Dollar

	Yesterday	Change	Year Ago
£ (London)	0.9389	-1.21	1.6414
£ (New York)	0.9511	-0.52	1.6418
DM (London)	1.7490	-0.21p	1.5262
¥ (London)	113.585	-30.88	110.570
£ Index	102.3	-0.5	97.4

OTHER INDICATORS

	Yesterday	Day's High	Year Ago	Index	Latest Yr High	Next Fig.
Oil Brent \$	18.59	-0.32c	19.31			
Gold \$	317.75	-0.05	382.20	RPI	156.9-4.25pc	158.0 8 Jul
Gold £	193.02	-4.36c	245.15	GDP	109.7-2.35pc	107.7 26 Jul
				Base Rates	= 5.00pc	6.75

OTHER INDICATORS						
	Yesterday	Day's chg	Year Ago	Index	Latest Yr Ago	Next Fig
Oil Brent \$	18.59	-0.32	19.31	RPI	156.9+0.38p	150.9 8 Jul
Gold \$	331.75	-0.6	382.20	GDP	109.7+2.5p	107.0 25 Jul
Gold £	197.02	-4.36	245.15	Base Rates	- 6.50mc	6.75 --

هكذا من الاصل

Market-makers have reason to rue the Budget



COMMENT

The City stands to lose an important tax loophole worth rather more than £100m a year to its market-makers. In a business which often struggles to make an adequate return, this could make the difference between profits and losses.

It usually takes a day or two for the full impact of a Budget to sink in, but eventually the City tends to get the message. So it was surprising to see the stock market, having had a night to sleep on it, roaring away yesterday in response to a Budget which on reflection is actually quite bad news for business and the City.

Nobody had a credible explanation for why equities should want to do this. The abolition of tax credits on dividends reduces the yield on UK equities for pension funds from 3.5 per cent to around 2.8 per cent, so logically the market should be falling. With another hike in interest rates just around the corner, the market perhaps ought actually to have been plummeting.

Markets rarely behave in an entirely logical way, however. The fact that shares rose so strongly may have something to do with a little noticed anti-tax avoidance measure that Gordon Brown slipped into the Budget. Again this was a perverse response to this potentially very nasty little incendiary device, since all the talk in the City yesterday was that the move would cost investment banks hundreds of millions of pounds in trading losses on top of the £500m the Revenue has pencilled in for extra yield over the next five years.

Most of the leading players were vehemently denying the scale of these losses yesterday, but their words all rather lacked conviction. A rather different story of panic was told by the growing number City calls to the Inland Revenue yesterday seeking "clarification". The truth of the matter is that most mar-

ket makers have used their tax exempt status to flog complex long term equity options. Some of these have been used to back the "guaranteed" returns offered by a number of retail funds, thus adding a scare dimension for serious investors to the whole story. Others have been sold in wholesale investors.

In pricing the option, market makers have tended to factor in the payment of gross, rather than net dividends. With that loophole now closed, the option becomes worth up to 20 per cent less than it was originally priced at and therefore incapable of delivering the promised return. We'll have to await details next week to learn precisely how these options have been hit by the new rules. Though stories of emergency meetings with the Bank of England might at this stage seem premature, in a worst case scenario it won't be too long before they become a reality.

Whatever the case, the City stands to lose an important tax loophole worth rather more than £100m a year to its market makers. In a business which often struggles to make an adequate return, this could make the difference between profits and losses.

The stock market's willingness to take the abolition of tax credits in its stride is also a curious one, for the effects of this move are very far reaching. Over the next ten years £50bn is transferred from the stock market to the Government. Since there is no such thing as a free lunch, that money has to come from somewhere. Pension holidays that would otherwise be taken by companies will have to be cancelled, previous surpluses will

go unrealised and many companies will have to increase their contributions at a cost of up to 2 per cent of payroll a year.

For those on personal pensions who behave responsibly and increase their contributions to make up the shortfall, the measure is equivalent to 2p on the rate of income tax. For the majority who don't, the effect is like a delayed tax, for they face rather lower benefits than they would otherwise have had.

You can argue until the cows come home about the rights and wrongs of this move, and it would ill become us on the Independent, who urged the Chancellor to do it, to now argue that he was wrong. But it certainly all fits rather uncomfortably with the new Government's aim of encouraging long term savings and thrift. For the stock market to be celebrating the whole thing really does rather confirm the "senior Government source" who was recently quoted as saying "the markets are bonkers".

A tough Budget but questions remain

Gordon Brown's main claim about his first Budget was that it was aimed at improving the performance of the economy in the long-term. Just as he had created a framework for monetary policy that would help deliver economic stability, so he was doing the same thing for fiscal policy. Government borrowing would fall during the next five years,

meeting tough new rules. "It is very important to recognise that I am taking decisions for the long term," he insisted.

If Mr Brown is genuinely resisting the temptation that afflicts most Chancellors, to manipulate the economy in the short term, he is to be applauded. Fine tuning of the economy via changes in tax and spending has been tried before and failed. It is not a precise enough art to keep growth on a steady course, and besides, frequent changes in the tax system create instability.

There is at least one very good reason to suppose that Mr Brown is sincere in accepting this reasoning. It is that he has handed operational control over interest rates to the Bank of England. If unpopular measures need to be taken to cool the economy, the Bank can be blamed - and it is unlikely to shirk its duty. It is both a sensible move in economic terms and a very astute one politically.

The Chancellor was also right to claim that it was a tough Budget, but the toughness does not stem from the tax increases he introduced. The £6bn headline figure for the increase in the tax burden this year includes £2.6bn of windfall tax which will not in any real sense be money taken out of the economy. It is not going to alter the level of economic activity by the privatised utilities. Most of the rest of the tax increase comes from the abolition of dividend tax credits, which will hit investment in the short term. Consumer spending this year, the likely boom year, will be unaffected by the Budget.

However, the Budget introduced a new element of toughness into public spending plans. Despite the headline increases in expenditure on health and education, they represent only an allocation of money already written in to the plans. There is a bit of truly additional expenditure via the welfare to work programme.

On the other hand the Treasury has revised up its forecast for inflation next year without changing the cash spending total to compensate. The real expenditure growth outlined in yesterday's Budget is lower even than under Kenneth Clarke's ultra-tough plans. As Alistair Darling joked yesterday: "from the nicest word they use about Gordon and myself".

This kind of toughness is all about setting the public finances on a sustainable footing. As the Chancellor has pointed out, he inherited a doubled national debt and a level of government borrowing too high for an economy operating at full capacity. The PSBR is due to fall rapidly but so it should at this stage of the economic cycle. So all this is well and good and we shouldn't perhaps be too critical of a Budget which matched these worthy aims with measures which stand a reasonable chance of fulfilling them. But if there was dishonesty in this Budget it was this - it was Gordon Brown's claim that with the boom now in full swing, he is shifting the balance between consumer and investment spending. If anything, his measures will alter the balance the other way, in the short term at least.

Electricity bills to drop by 12 per cent

Chris Godsmark
Business Correspondent

Household electricity bills are set to fall by 12 per cent from next April, the electricity watchdog, Ofgem, said yesterday after power groups pass on cheaper coal contracts and lower supply and distribution charges to consumers.

Professor Stephen Littlechild, the regulator, also gave details of a new price formula for next April's staggered start of domestic power competition, which would give rival suppliers and consumers a much clearer indication of the tariff structure.

In a consultation paper yesterday Professor Littlechild said the impact of the various reductions in costs would see average domestic bills drop from £270 excluding VAT this year to £238 next year. He said there

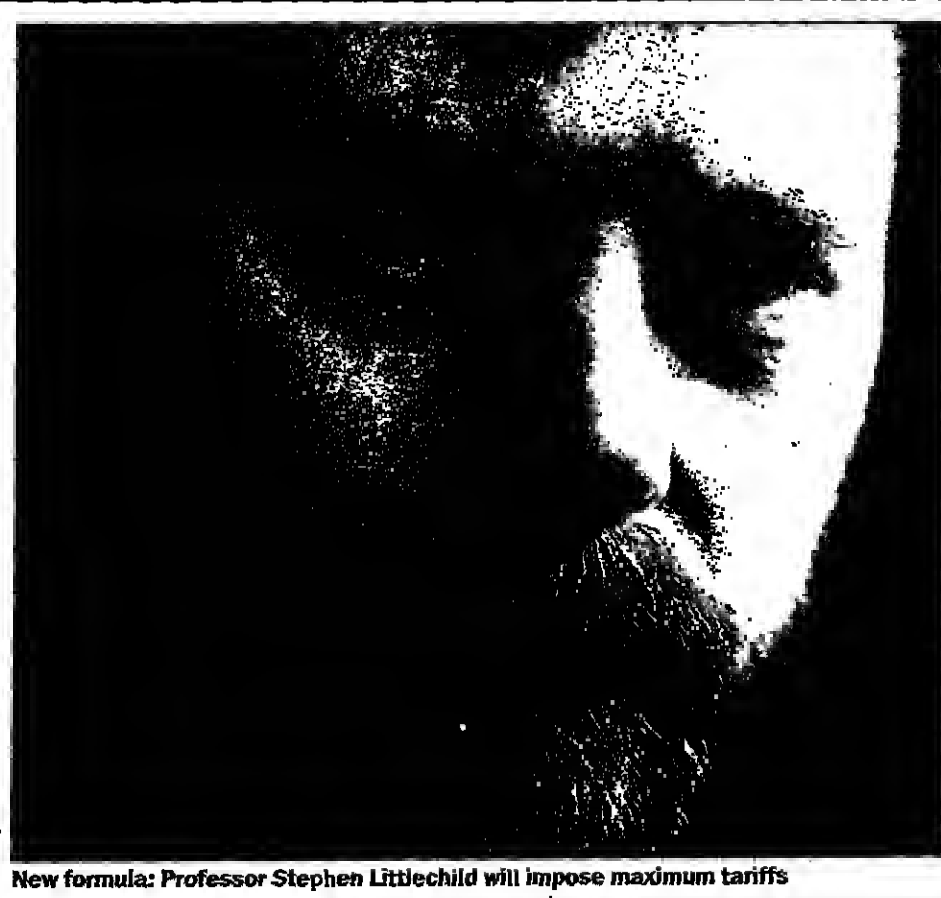
could be further cuts in tariffs from some companies under the current price regime before April, though charges would vary between the 14 regional suppliers across the UK.

A large chunk of the fall would come from the expiry of high-price coal contracts signed before the privatisation of British Coal, which would feed through to lower generation prices. Generation accounts for more than half of domestic bills. Another important factor was the existing price cap on regional distribution networks, which accounts for around 30 per cent of bills.

In a significant innovation, Ofgem said the new price formula proposed for the electricity supply market, the part of regional power companies' businesses which are to be opened to competition, would for the first time

impose maximum tariffs published at the start of each year. But Professor Littlechild did not estimate the savings from competition, which are a matter of intense debate in the industry. The supply element accounts for just 6 per cent of bills. Earlier this week Mike Hughes, chief executive of Midlands Electricity, warned it was "difficult to see how immediate price cuts will occur without cherry picking".

As competition emerges from next April, Ofgem said suppliers would be able to compare tariffs for different groups of consumers. The new charging structure would remain fixed throughout the year. Under the existing regime companies calculate their tariffs but can recover any revenues lost if they get their estimates wrong at the end of the year.



New formula: Professor Stephen Littlechild will impose maximum tariffs

Thames chairman given 64% pay rise

Chris Godsmark

Sir Robert Clarke, the chairman of Thames Water, received a 64 per cent pay rise last year, giving him a hike in his remuneration package of almost £100,000.

The group's annual report and accounts also showed that Bill Alexander, Thames' managing director, was awarded a 40 per cent pay rise. The information landed on shareholders' doorsteps the day after the Chancellor's windfall levy left the company with a £231m additional tax bill.

The report revealed that the basic salary of Sir Robert, 68, increased by £90,000 to £233,600 in the year to the end of March 1997. With other benefits included, his total pay rose by £96,000 to £247,000, though he has not taken part in the annual bonus scheme.

Mr Alexander saw his pay package increase from £161,000 to £226,000, including

a £33,000 bonus. His pension fund was also given a £110,000 boost, reflecting the increase in his basic pay, a move which Thames said was made through a charge on its profit and loss account.

Thames said the increases followed the departure of Michael Hoffman as chief executive in March 1996 and the decision to make Sir Robert a full-time executive chairman. Trevor Newton, the former managing director, also retired soon afterwards. Mr Alexander, who was already running the core utility operation, took on part of Mr Newton's role.

David Luffman, finance director, said: "We've now got two people doing what was previously done by three. The chairman and managing director were effectively promoted." Mr Luffman's pay rose by 3.4 per cent, an increase which the group said reflected "performance and previous market information on pay levels".

Prism to shed another 600 jobs

Andrew Yates

Prism, the AIM-listed rail group which runs train services in South-east England and South Wales, is to make at least another 600 rail workers redundant within the next year. It has already laid off 300 employees since being awarded four rail franchises by the government as part of the controversial privatisation of British Rail, reducing its workforce to 3,600.

Giles Fearnley, chief executive of Prism, said yesterday: "Our staff levels will fall further. As a rule of thumb the rail industry will probably reduce staff by about 25 per cent. Our own reduction will be in line with this. At LTS [London Tilbury and Southend] staff reductions could be as high as 30 per cent." Prism employs 600 people on the LTS line.

A spokesman for the Rail Maritime and Transport Union, which represents more than 60,000 rail workers, said: "We are extremely unhappy that they are shedding staff. We will take the matter up with the company to assess if they are making unnecessary redundancies."

The announcement will add to the controversy that has dogged the group since Mr Fearnley and nine other founder members of Prism acquired 8 million free shares, worth more than £23m, under a controversial share ratchet system which awarded them a big parcel of shares every time they won a new franchise. Prism only ended the scheme after pressure from its institutional shareholders. Mr Fearnley was paid a salary of £180,000 last year but has decided to forego a new share option package.

"I have not been awarded any share options in Prism," Mr Fearnley said yesterday. "I now own 1 million shares and felt that was enough incentive to do well."

Prism announced maiden profits of £6.9m for the 14 months to March before a restructuring cost of £12.4m to cover redundancy payments. Investment column, page 26

BAA pays £406m for US duty-free giant

Chris Godsmark

BAA, the owner of Heathrow and Gatwick Airports, yesterday announced a huge expansion of its duty-free retailing business through a \$674m (£406m) takeover that elevates the group into second place in the world's \$20bn tax-free shopping market.

The agreed bid for Duty Free International (DFI), of Connecticut, the fifth-highest duty and tax-free company, means retailing will account for up to 60 per cent of BAA's revenues. The deal, which is also the largest in BAA's history, emphasises the group's transformation into a property and retailing business as it approaches its tenth anniversary as a privatised company later this month.

Though BAA had first approached DFI last December, it waited to finalise the deal until it knew its windfall tax bill. The lower-than-expected windfall levy of between £70m and £100m left the group relatively unscathed, though BAA was forced to bring forward the announcement by a week after

DFI shares were suspended on rumours in New York. It will create a business with sales of more than \$1bn and around 9 per cent of the global duty-free market. The leader is DFS, another US-based group owned by the French luxury goods company LVMH, with about 13 per cent. BAA predicted the world market would expand by at least 15 per cent a year for several years.

More than half of DFI's sales were from in-flight and airport retailing, while a further 36 per cent came from the US duty-free shopping outlets on the Canadian and Mexican borders with the US. DFI, which has 175 stores and employs 2,000 people, began life in 1983 and grew rapidly following its flotation in 1989.

Sir John Egan, BAA's chief executive, admitted the takeover was partly a move to defend the group's duty-free interests after 1999, when tax-free shopping on flights between European Union countries could be suspended. It would also give BAA's operations greater strength to bid for European concessions, should the

EU agree to let duty-free shopping continue. Most contracts come up for renewal on 30 June 1999.

"There is a defensive quality, I have to say, yes," said Sir John. Describing the possible abolition of intra-EU duty-free sales as a "crisis", he predicted the concession would remain after heavy lobbying from operators.

The offer values DFI shares at \$24, a 19 per cent premium to the closing price on 1 July. BAA said DFI investors speaking for 43 per cent of the company had given irrevocable undertakings to accept the deal. Sir John said BAA had identified cost savings of £15m over three years from the deal, largely through tougher purchasing power. He said there was no overlap between the two operations and no job losses were planned. Four senior DFI executives had been given contracts to stay with the group for three years.

BAA will pay for DFI from existing resources, setting part of the cost against a £260m bond issue in January 1996.

Arbitrator may review Railtrack's charges

Randeep Ramesh
Transport Correspondent

Railtrack, the owner of the nation's track, signalling and stations, is likely to have its track access charges reviewed by an independent arbitrator after complaints from train operating companies that performance payments are too high.

Railtrack has been targeted by train operators after its accounts revealed bonus payments of £29m for last year because it had exceeded performance targets. That compared with a £43m penalty the year before.

Connex South Central, which runs services in Surrey, Sussex and south London, believes the benchmark year for the performance regime was set too low. This has meant Connex being charged far more than it

expected. The company, owned by French giant Générale des Eaux, has appointed a legal team to examine the possibility of taking action. Although the number of minutes lost to train delays has improved by 38 per cent, Connex has paid out nearly £10m more to Railtrack. At present, the two sides are talking through the disputes resolution committee - an internal railway body designed to prevent disputes escalating.

"We are in discussions at the moment and want to get it sorted out as quickly as possible," said a spokeswoman for Railtrack. "Connex South Central have expressed a view about the details of a contractual arrangement with us and have indicated an intention to seek changes within that."

However, senior sources at

the train company said that "if there is no movement we will go the whole way".

What has angered many railway executives is that Railtrack managed to extract a "supplementary access charge" worth £75m in 1996. Although this dwindles to zero in 2001, Railtrack's prospectus said that directors "do not believe that improvements [in performance] will be sufficient to match the reductions in the supplements".

Industry sources say the problem is that the yardstick year chosen was 1994 - a particularly bad year for the railways whose performance could easily be exceeded. Tom Winsor, a leading railway lawyer, said if a train operating company could not settle the matter with Railtrack it could simply start arbitration proceedings.

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business

£5bn Lockheed deal creates defence goliath

David Usborne
New York
and Chris Godsmark
London

The frenzy of consolidation that has gripped the United States defence industry since the close of the Cold War reached a new pitch yesterday as Lockheed Martin announced it was to buy Northrop Grumman for \$8.3bn (£5bn).

If it escapes the radar of the competition watchdogs in Washington, the deal will forge a global goliath with a workforce of almost a quarter of a million and annual sales in the region of \$37bn.

It also puts the fragmented European defence industry under further pressure to consolidate. British Aerospace, which has pioneered the drive to consolidate Europe's warring manufacturers into little more than a single player, said the deal was

a timely reminder of the need to move faster.

While experts saw considerable logic in the strategy of Lockheed Martin, there was also widespread shock. Northrop Grumman had stated repeatedly over recent months that it intended remaining independent.

By virtue of the few players that will be left, it will probably be the last of the mega-mergers in the US defence industry. Almost certainly, it was driven by proposed acquisition of McDonnell Douglas by Boeing. That deal, which is worth \$14bn, received US government approval only this week but remains under scrutiny by the European Commission.

Both Lockheed Martin and Northrop Grumman are themselves recent products of the extraordinary consolidation rush. The former was created by the merger of Lockheed and Mar-

rin Marietta in 1995, while the latter is the fruit of the 1994 marriage of Northrop Corp and Grumman Corp.

There has been a joke in defence circles for some time that soon there would be just three defence rivals in the US: "McBoeing", "LockMartin" and "RayHughes". The latter is a composition of Raytheon, which is itself in the process of ingesting the Hughes Electronics division of General Motors.

"Lockheed Martin and Northrop Grumman have been leaders in consolidating the aerospace industry, and we are now taking the next logical step in combining together to shape the future," said Lockheed's chairman, Norman Augustine. The deal is set to be closed by the end of the year.

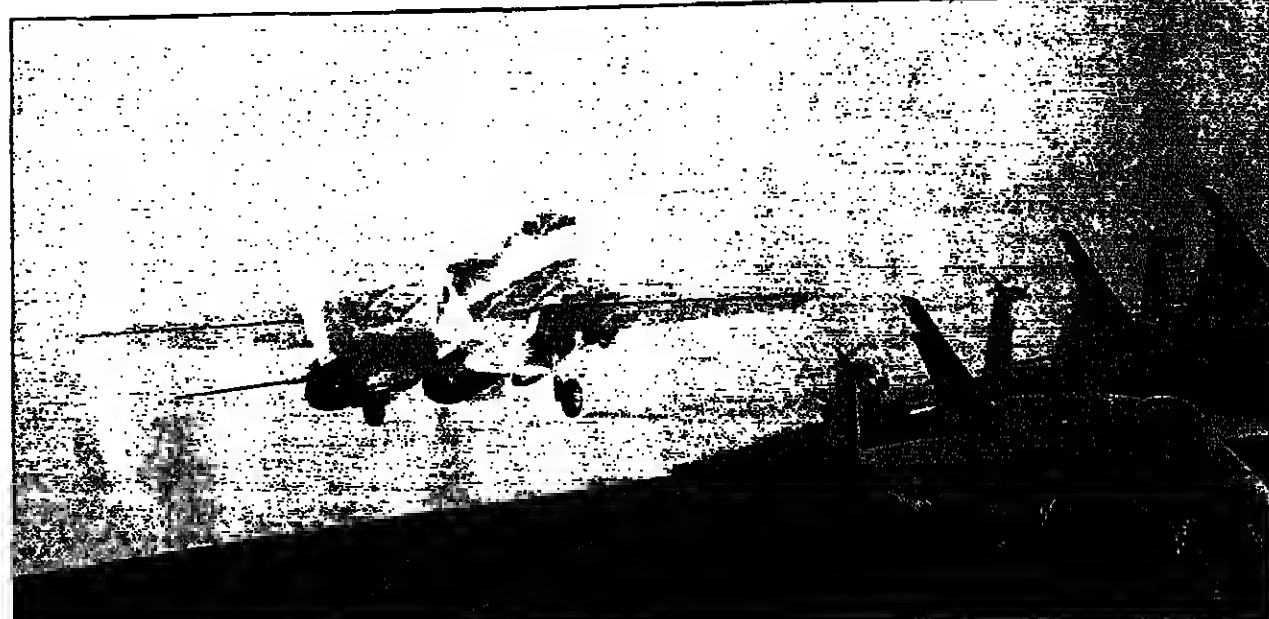
By comparison, the progress towards consolidation among Europe's defence and aerospace companies has been

painfully slow. Despite the urgings of Sir Richard Evans, BAe's chief executive, national governments have been unable to agree terms towards the aim of using the Airbus consortium as the template for a wider defence rationalisation.

BAe has remained caught between its continued interest in bidding for GEC, which will next week outline its long-term strategy, and the bigger prize of cross-border mergers.

A BAe spokesman said yesterday: "This only serves to remind us in Europe that we really need to get on with things. We would all like to move faster, though US businesses have the advantage of all being in the same country with the same rules."

The Pentagon has been candid about encouraging the recent spate of mergers on the grounds that they would offer better pricing at a time when



On the defensive: The industry behind planes such as the F-14 Tomcat has had to regroup since the end of the Cold War

procurement programmes are on the decline. Both companies yesterday said they had had informal contacts with the Pentagon about the deal.

The likely reaction of competition officials is far less sure, however. This week, for instance, regulators definitively blocked a giant merger in the office supply sector between the

Staples and Office Depot stores. Among analysts welcoming yesterday's deal was Jon Kutler of

QuarterDeck Investment Partners. Pointing out that both Lockheed and Northrop had been consistently bidding for the same contracts recently, he said: "You would have thought if Lockheed wanted to do this deal it would have done it a few

years ago and taken a competitor out of the marketplace. This is an obvious fit."

Lockheed, based in Maryland, is best known for producing the F-16 fighter jet, the C-130 lift plane and the F-117 stealth fighter. Northrop, which is in California, builds the B-2 Stealth bomber and the F-18 fighter jet as well as some parts of the Bo-

eing 777, 757 and 767 jetliners. Lockheed Martin has had an especially good run recently, scoring, for example, the contract to build the next generation of space shuttles.

In May, it strengthened its ties with Northrop by joining forces with it to bid for the contract to build the Joint Strike Fighter for the US Air Force.

IN BRIEF

Cigarette firms settle lawsuit for \$3bn

Four cigarette companies, including the UK's BAT Industries, have settled a lawsuit brought by the state of Mississippi for more than \$3bn (£1.8bn). The deal will guarantee that the state will still receive its share of last month's landmark \$368bn agreement with the industry even if the agreement fails to gain Federal approval. The companies will pay \$170m by 15 July and 1.7 per cent of last month's global deal. Further payments will start at \$68m next year, rising to \$136m from the sixth year. As well as BAT, Philip Morris, RJR Nabisco and Loews are covered by the settlement, which averts the need for a trial to recover the costs of treating smokers, which was due to begin next week. However, Florida said it would continue with a trial, due to begin on 4 August, to recover \$1bn of the alleged costs of the state Medicaid health insurance from the tobacco industry.

Heron to spend £80m on development

Heron International, headed by Gerald Ronson, has bought a central London site for a 115,000 square foot development project from Lloyds Bank. The cost of the development, including the land, will be £80m. In May Heron said it would spend £100m to develop another 190,000 square foot site in the City. "We are making good progress in meeting our objective of building one of Europe's leading property groups," said Mr Ronson, who has spent £500m in the past seven months on several leisure-based projects in Europe. Heron said the property at 40-66 Queen Victoria Street, close to the Bank of England, had planning consent to build an office structure with 12,000 square foot floors and underground parking. Construction of the project, which does not yet have a principal tenant, is expected to begin in early 1998 and completion is scheduled for 1999.

CRH acquisitions total Ir£48m

CRH, the Irish building materials group, announced Ir£48m of acquisitions and investments, offset by divestments of Ir£39m. Four deals in North America earlier this year, ranging from glass tempering in Toronto to an aggregates businesses in southern Colorado and northern New Mexico, came to a total of Ir£22m. An Ir£13m investment programme has begun at Irish Cement, while acquisitions and investments in Holland and Belgium came to Ir£13m. Sales in the first six months of 1997 include surplus assets of the US Ticon business acquired last year, road surfacing operations in South-east England and half shares in a Dutch concrete additives operation and a German paving manufacturer.

ScottishPower sells Paperstream

ScottishPower has sold Paperstream, one of the non-core businesses owned by its subsidiary, Southern Water, to Hays, the business services group, for £11.8m. Paperstream, which provides invoicing and payment processing services, was originally part of Southern Water's billing department. In the year to March 1997, Paperstream made pre-tax profits of £1.2m on sales of £14.7m, up 48 per cent on the year before. Southern Water has so far raised more than £24m from its divestment programme.

One 2 One signs up 80,000 customers

One 2 One, the mobile phone company which is jointly owned by Cable & Wireless and US West, lured 80,000 net new customers between April and June, second only to Orange, which said at the beginning of the week it had attracted 86,000 new customers. Vodafone dropped back to last place in the growth stakes, adding just 53,000 net new customers. One 2 One's figures represent an increase of 167 per cent over the same period last year. The company said yesterday it had increased its share of the total UK market for mobile phones from 7.2 per cent in June last year to 9.5 per cent this year.

Management buys BWAT coach business

Barr & Wallace Arnold Trust sold its Wallace Arnold coach tour travel business to its management for a sum "in excess of £40m". The company had been in talks to sell the division to Shearings, the former coaches division of Rank, but in May it threw the bid open and invited other offers. Staff had protested about the possible sale to Shearings, and took out a full-page advertisement in the *Yorkshire Post* saying that shareholders would not be getting value for money if BWAT talked to only one bidder. The £40m BWAT has accepted from management, which had the backing of 31, is believed to be more than the price offered by Shearings.

Borthwicks in takeover talks

Borthwicks, the company which manufactures food and drink flavours, announced yesterday it was in talks with a number of parties. Borthwicks said the discussions may or may not lead to a bid being made for the company. At the AGM, Peter Brackenridge, chairman, said trading during the first quarter had been satisfactory and was comfortably ahead of the same quarter last year.

Abolition of stamp duty

Our report yesterday on the abolition of stamp duty said that the increase to 1.5 per cent on property purchases over £250,000 and 2 per cent above £500,000 would not apply to contracts exchanged before 8 July, when the new measures are expected to become law. In fact, the cut-off date for exchange of contracts was on Budget day, 2 July. Completions taking place after that date will avoid the new increases only if contracts were exchanged before the Budget announcement.

Company Results

	Turnover £	Pre-tax £	EPS	Dividend
Bank For The Border (F)	24.7m (19.0m)	1.77m (1.11m)	4.73p (3.21p)	1.8p (1.65p)
Leopold Joseph (F)	- (-)	1.84m (2.47m)	24.47p (28.55p)	20p (-)
Prism Rail (I)	188.2m (+)	-5.45m (-)	-37.7p (-)	nil (-)
Southard Solars (F)	55.0m (55.1m)	0.72m (-0.73m)	0.92p (-1.6p)	0.75p (0.75p)
Universal Salvage (F)	57.1m (46.0m)	3.42m (3.96m)	0.35p (1.05p)	5.2p (5.07p)

(F) - Full (I) - 14 months

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Property sector a Budget winner

THE INVESTMENT COLUMN
EDITED BY MAGNUS GRIMOND

The property and building sectors were moving in different directions yesterday as investors reacted to Wednesday's Budget. The general view was that the changes announced by the Chancellor, Gordon Brown, were almost unalloyed good news for property companies, but less good for construction and building materials shares. So while Land Securities, one of the UK's biggest property groups, basked as its shares rocketed up 53p to 924.5p, RMC, a big aggregates producer, was in the doldrums, dropping 37p to 934p.

As the share price charts show, part of yesterday's reaction merely reflects relief that analysts' worst fears were not realised. Wild rumours have been running around the property sector since the beginning of June that stamp duty was about to rise from 1 per cent to as much as 6 per cent. As it happened, the graduated 1.5 and 2.0 per cent bands announced will raise property transaction costs from 2.75 per cent to a maximum 3.75 per cent.

More importantly, the decision to abolish institutional tax credits is being seen by analysts as likely to redirect large amounts of City money into the property sector. Even before the Budget, survey evidence suggested more than £3bn of institutional funds were seeking a home in the property market. The argument now runs that, with the yield on the FT All Share index in effect dropping from 3.5 to 2.9 per cent, the average initial yield of 7.8 per cent on direct property investment looks even more attractive.

Of course, property companies' dividends will be caught up in the ACT backdraft, but if institutional cash starts flowing into the sector, property values will inevitably rise. Companies with quality assets in London and the South-east, such as British Land and Brixton Estates, should do well as a result, although observers underline the need for selection. Those who want a more direct stake in the commercial property market should look at unit-linked pooled investment funds, although liquidity can be a problem.

Fears of a "gravel tax" hit aggregates producers such as RMC, Redland and Tarmac, but until the details of any Government move are known, the share price falls are just shots in the dark.

Elsewhere, observers poured scorn on the Chancellor's rhetoric about the threat from an overheating housing market, suggesting the stamp duty changes and the cut in mortgage interest relief from 15 to 10 per cent next year will do little to dampen demand. Kevin Cammack of Merrill Lynch

RM cashes in on IT revolution

RM, the UK's leading supplier of computer systems to schools and colleges, should be a big beneficiary from yesterday's Budget. Gordon Brown's pledge to add £1bn to the funding of schools for a year from April 1998 and another £1.3bn from the windfall tax over the next five years to tackle repairs and bring IT up to date will mean more available cash for information technology. Of the £2.1bn that British schools currently have to spend each year, less than 1 per cent - £200m - goes on IT.

RM has muscled in on the obvious areas of growth, supplying half the UK's secondary schools and two-fifths of its

primary schools with computers and popular educational software. One of its best products is SuccessMaker. A government study showed that using it for just 15 minutes a day for six months improved children's maths skills three-fold. What's more, RM continues to grab share from its only big rival, Exemplar, a joint venture between Apple and Acorn.

One reason is the weakness of Exemplar's package. The group still uses non-standard proprietary software, while RM offers the more universal Microsoft system, compatible with educational publishers like Dorling Kindersley, and sells directly to schools, offering good back-up support.

RM's Internet service offers even greater potential. The group supplies more than half of the UK's secondary schools with dial-up Internet services and a lucrative network connection which allows a whole classroom to use the Internet simultaneously. For use of the system, schools pay around £3,000 a year. Mike Greig, finance director, reckons that RM has more than two-thirds of the schools' Internet market.

Currently hefty telephone charges

are keeping the lid on growth, but an agreement between BT and the cable groups on a cap of around £600 a year looks imminent.

Flattened at 175p in 1994, Budget euphoria lifted RM's shares 55p to 822.5p yesterday, putting them on a forward multiple of 30 times. Obviously not cheap, but given the prospects they could still go higher.

Prism on track for profits

Prism Rail is one of a clutch of companies founded specifically to bid for the 25 rail operating companies sold off by the government as part of the privatisation of British Rail. The shares steamed ahead after it floated on the Alternative Investment Market last year as rail fever spread among investors. The logic ran that the rail companies, like Railtrack, were priced for a quick sale.

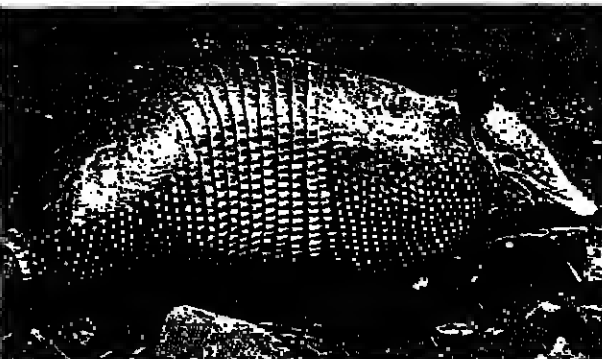
But there has been a growing suspicion that some of the companies are not the bargains they first appeared. In the clamour to win more franchises, some bidders may have pitched their demand for government subsidies too low, which could plunge them into the red. Prism has looked particularly at risk and its shares have nearly halved since peaking at 58p in January.

While there is no doubt that Prism's share price got ahead of itself, its slump looks harsh. So far its franchisees are doing well. Passenger revenues grew 7.5 per cent last year and are now running up 9 per cent. Innovations such as combined rail and bus links, new rail cards and extra commuter services have proved a hit. And Prism is still brimming with new ideas: station lighting and security cameras are next on its list of improvements. It has also struck a good deal leasing 44 new trains and it now plans a £15m refit of old stock, which should help passenger growth.

Prism made a profit of £6.9m in the 14 months to March, before a £12.4m charge to cover inevitable redundancy costs. Of course, so far it has done the easy bit, improving services which had been sadly neglected for years. It could find it harder going if the economy falters, which invariably means a tail off in rail passenger numbers. And profits will be lumpy as subsidies decline. Even so, the shares, up 20p at 300p, look good value on a forward price ratio of 6, assuming analysts' profit forecasts of £15m are realised this year.

An armadillo has taken control of the economy

PEOPLE & BUSINESS



Spot the difference: is this Gordon Brown or an armadillo?

Gordon Brown's an armadillo - official.

Accountancy firm BDO Stoy Hayward launched a Budget web site on the Internet this week to advise clients on the Budget's effects and included a questionnaire for owner-managed businesses.

The firm asked: "Considering the Budget's measures, has Chancellor Brown turned out to be (a) an 'iron' chancellor; (b) a 'marshmallow' chancellor; or (c) an 'armadillo' chancellor?"

The result of this test as of last night was 95 votes for armadillo, 55 for marshmallow and 45 for iron. So, the Chancellor's shaped like half a rugby ball and comes from South America. I knew it all along.

There's another Gordon Brown who hasn't had quite so good a week. Gordon Brown the co-owner of Sunday Business, the newspaper, whose company, Group 2000, has gone belly up.

His dump truck to printers company was advertised for sale by receivers from Coopers & Lybrand this week. What will this mean for Sunday Business, which Mr Brown co-owns with thirty-something entrepreneur Luke Johnson? Watch this space.

Christopher Haskins, chairman of Northern Foods, has been appointed by Dr David Clark, Chancellor of the Duchy of Lancaster, to chair the Government's taskforce on better regulation.

The taskforce is an independent panel set up "to advise the Government on action which improves the effectiveness and credibility of government regulation by ensuring that it is necessary, fair and affordable, and simple to understand and administer, taking account of the needs of small business and ordinary people."

Well, if it can do that, Mr Haskins will deserve a hered-

itary peerage at the very least.

Mr Haskins, 60, has worked for Northern Foods since 1962. He's a member of the Round Table on Sustainable Development, the CBI Presidents Council and the Hampel Committee on Corporate Governance, so he's definitely one of the "great and the good". He'll need all his experience for his new job, however.

You might not think of the law as a "fast-moving good" but City law firm Nicholas Graham & Jones thinks otherwise. The firm has just chosen drinks specialist Andy Nash to advise it on strategic business issues and he says he is looking forward to bringing "a totally fresh approach and some hard-hitting ideas from the world of fast-moving goods".

Mr Nash is an ex-managing director at Taunton Cider and became managing director at Matthew Clark Taunton when the latter bought the former.

It will be fascinating to see how a Square Mile law firm compares to a cider maker. The firm recently advised Mohamed Al Fayed on the acquisition of Fulham Football Club, and Wandsworth Borough Council on the redevelopment of Battersea Power Station as a giant

cinema complex. No doubt NGJ's senior partners will soon be scrumping for apples.

Here's another unlikely connection between business and booze. Rio Tinto's new logo is red because "rio tinto" means wine-coloured river in Spanish and vino tinto is red wine, "according to John Hughes, a spokesman for the company. "It seemed logical to select a red, red-wine colour for our logo," he writes in the latest company in-house magazine.

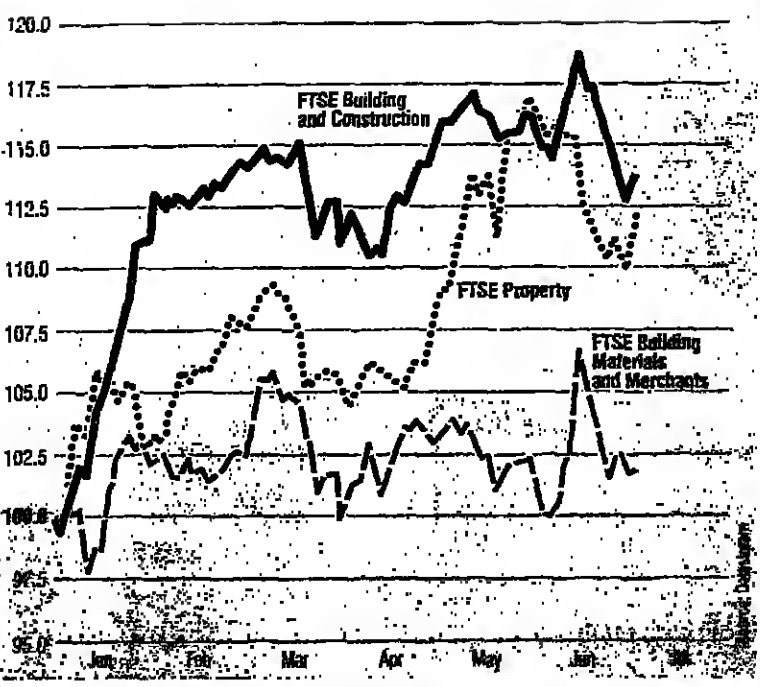
Bill Dacombe has seen a lot of water flow under the bridge since he took over Brown Shipley in 1991 in order to rescue the crisis-hit stockbroker. Last year he sold the company to Midlands broker Albert E. Sharp, and now he is succeeding Simon Sharp as chairman.

Mr Dacombe's career before 1991 was in banking. He says that when he joined Brown Shipley he found that "everyone was miserable because British monetary policy was being run to satisfy conditions for the ERM. It was only with White Wednesday in September 1992 that people started to make money instead of losing it all the time."

John Willcock

Property and construction: At a glance

indices January 1997=100



Foreign Exchange Rates

Country	Spot	1 month	3 months	D-Mark	Spot
US	163.38	14.42	42.39	1000	0.5718
Canada	2.3121	69.88	236.79	1000	0.7163
Germany	2.2149	64.34	201.29	1000	0.7163
France	63.025	266.27	825.728	589.65	16.103
Italy	81.20	89.57	255.24	173.33	0.7475
Spain	14.971	30.29	86.82	124.8	46.47
Belgium	60.769	62.965	220.501	36.037	76.74
Netherlands	15.423	31.789	83.423	14.653	34.53
Sweden	3.3148	95.93	289.261	18.687	43.42
Denmark	10.001	1.2	16.12	15.396	3.1
Switzerland	2.4671	89.18	300.316	6.523	147.40
Japan	12.281	31.322	102.438	16.75	0.3435
South Africa	2.2328	9.3	30.20	12.559	5.4
Hong Kong	13.038	2.62	83.48	72.93	33.98
Malaysia	4.2445	3.52	102.43	2.338	12.16
Thailand	2.2328	9.3	30.20	12.559	5.4
India	33.038	2.62	83.48	72.93	33.98
Saudi Arabia	2.2328	9.3	30.20	12.559	5.4
Singapore	2.2328	9.3	30.20	12.559	5.4

Other Spot Rates

Country	Spot	Dollar	Country	Spot	Dollar
Argentina	163.38	0.9994	Nigeria	143.334	85.000
Australia	2.3121	0.6234	Philippines	60.769	0.3301
Brazil	1.545	10.772	Poland	62.965	40.465
China	13.038	6.234	Portugal	44.329	36.400
Denmark	10.001	0.6234	Romania	22.033	10.000
Finland	37.717	5.579	Russia	6.127	36.415
Ghana	36.044	2.400	Saudi Arabia	57.578	1.000
Greece	45.330	2.400	South Africa	4.2445	0.6234
India	62.221	3.575	Thailand	46.791	27.500
Kuwait	0.500	0.028	UAE	6.854	36.750

Forward rates quoted low to high are at a discount; subtract from spot rate. Rate quoted low to high are at a premium; add to spot rate. "Dollar rates quoted as reciprocals. For the latest foreign exchange rates call 0891 120 3033. Calls cost 50p per minute.

Interest Rates

UK	Base	5.50%	Germany	Base	5.50%	US	Prime	5.50%	Japan	Discount	0.50%
France	Discount	3.00%	Italy	Discount	4.50%	Spain	Discount	5.00%	Belgium	Discount	2.50%
Netherlands	Discount	2.50%	Sweden	Discount	2.50%	Switzerland	Discount	1.00%	Denmark	Discount	1.00%
Australia	Discount	3.25%	South Africa	Discount	3.25%	Canada	Discount	5.00%	Portugal	Discount	1.00%

Bond Yields

Country	10yr	10yr	10yr	10yr	10yr	10yr	10yr	10yr	10yr	10yr	10yr
UK	7.0%	7.12	7.25%	7.04	7.04	7.04	7.04	7.04	7.04	7.04	7.04
US	6.63%	6.17	6.25%	6.28	6.28	6.28	6.28	6.28	6.28	6.28	6.28
Germany	5.50%	5.50	5.50%	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50
France	5.50%	5.50	5.50%	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50
Italy	6.0%	6.0	6.0%	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0
Spain	6.0%	6.0	6.0%	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0
Sweden	4.75%	4.75	4.75%	4.75	4.75	4.75	4.75	4.75	4.75	4.75	4.75
Switzerland	4.75%	4.75	4.75%	4.75	4.75	4.75	4.75	4.75	4.75	4.75	4.75
Denmark	4.75%	4.75	4.75%	4.75	4.75	4.75	4.75	4.75	4.75	4.75	4.75
Portugal	4.75%	4.75	4.75%	4.75	4.75	4.75	4.75	4.75	4.75	4.75	4.75
Poland	4.75%	4.75	4.75%	4.75	4.75	4.75	4.75	4.75	4.75	4.75	4.75
Romania	4.75%	4.75	4.75%	4.75	4.75	4.75	4.75	4.75	4.75	4.75	4.75
Russia	4.75%	4.75	4.75%	4.75	4.75	4.75	4.75	4.75	4.75	4.75	4.75
South Africa	4.75%	4.75	4.75%	4.75	4.75	4.75	4.75	4.75	4.75	4.75	4.75
Thailand	4.75%	4.75	4.75%	4.75	4.75	4.75	4.75	4.75	4.75	4.75	4.75
India	4.75%	4.75	4.75%	4.75	4.75	4.75	4.75	4.75	4.75	4.75	4.75
Saudi Arabia	4.75%	4.75	4.75%	4.75	4.75	4.75	4.75	4.75	4.75	4.75	4.75
Singapore	4.75%	4.75	4.75%	4.75	4.75	4.75	4.75	4.75	4.75	4.75	4.75

Money Market Rates

Overnight	1 Month	3 Months	6 Months	1 Year
UK	6.0%	6.0%	6.0%	6.0%
US	6.0%	6.0%	6.0%	6.0%
Germany	6.0%	6.0%	6.0%	6.0%
France	6.0%	6.0%	6.0%	6.0%
Italy	6.0%	6.0%	6.0%	6.0%
Spain	6.0%	6.0%	6.0%	6.0%
Sweden	6.0%	6.0%	6.0%	6.0%
Switzerland	6.0%	6.0%	6.0%	6.0%
Denmark	6.0%	6.0%	6.0%	6.0%
Portugal	6.0%	6.0%	6.0%	6.0%
Poland	6.0%	6.0%	6.0%	6.0%
Romania	6.0%	6.0%	6.0%	6.0%
Russia	6.0%	6.0%	6.0%	6.0%
South Africa	6.0%	6.0%	6.0%	6.0%
Thailand	6.0%	6.0%	6.0%	6.0%
India	6.0%	6.0%	6.0%	6.0%
Saudi Arabia	6.0%	6.0%	6.0%	6.0%
Singapore	6.0%	6.0%	6.0%	6.0%

Tourist Rates

Country	1000	1000	1000	1000	1000	1000	1000	1000	1000	1000	1000
UK	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
US	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
Germany	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
France	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
Italy	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
Spain	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
Sweden	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
Switzerland	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
Denmark	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
Portugal	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
Poland	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
Romania	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
Russia	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
South Africa	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
Thailand	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
India	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
Saudi Arabia	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
Singapore	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000

Liffe Financial Futures

Contract	Settlement price	High/Low for day	Est/Cont traded	Open interest
Long City	114.75	114.75	114.75	114.75
Short City	114.75	114.75	114.75	114.75
Long Euro	114.75	114.75	114.75	114.75
Short Euro	114.75	114.75	114.75	114.75
Long Japan	114.75	114.75	114.75	114.75
Short Japan	114.75	114.75	114.75	114.75
Long US	114.75	114.75	114.75	114.75
Short US	114.75	114.75	114.75	114.75

Barron to get serious with Bluff

Racing
GREG WOOD

The Stewards' Cup at Goodwood and the Ayr Gold Cup a few weeks later are probably the most fiercely competitive sprint handicaps of the season, and it takes a horse of unusual ability to win both in the same year. Lochsong, who completed the double as a three-year-old in 1992, soon developed into the best sprinter of her generation. There should be no need for pessimism when Coastal Bluff, winner of both events last season, makes his long-awaited seasonal debut in the July Cup at Newmarket next week.

David Barron, Coastal Bluff's trainer, might have opted to run instead in a Listed event at Sandown tomorrow, but when your stock in trade is handicappers, it is difficult to resist a Group One entry when the opportunity arises. Coastal Bluff roared down Barron's gallop yesterday morning and the trainer needed no further encouragement.

"He worked well and he will go to Newmarket," Barron said afterwards. "We are taking a bit of a big bite but he worked very well as well as he ever did last year and Kevin Darley said he has done a lot of good physically since he last sat on him six weeks ago. The race at Sandown wasn't a gift at all, the prize money if he is placed in the July Cup is more than if he won at Sandown, and if he is going to get beaten he might as well be stuffed by good horses."

If the gelding is approaching peak fitness, however, there is little reason to think he will be beaten all that far. His cosy victory under 9st 10lb at Ayr last September was one of the most impressive performances in a handicap all year, and his previous success at Goodwood was another, and as the season progresses, Coastal Bluff may well prove to be the most significant rival to Royal Ascot in the major sprints.

Barry Hills' colt, already a winner at York and Royal Ascot this year, will probably start as favourite for the July Cup,

and is certainly Barron's idea of his most dangerous opponent. "He has come back really well this year," he said. "People say that there are no good sprinters around but you don't realise how good they are until they are gone."

When the weights for this year's Stewards' Cup were published on Monday, Coastal Bluff was at the head of the list, but his handicapping days are surely behind him and there will be few takers for the early price of 16-1 against him. Instead, punters yesterday launched a gamble on Danetime (at least, that is the bookies' story), who runs in the seemingly ever-present colours of Michael Tabor. Danetime was responsible

RICHARD EDMONDSON
NAP: Scaraben
(Hamilton 7.10)
NB: Another Nightmare
(Hamilton 8.10)

for the second and last major reverse of Tabor's otherwise impeccable season when, having been backed down to favouritism, he just failed to overhaul Selhurst Park Flyer in the Wokingham at Royal Ascot. Tabor, who is not exactly a 50p each-way man when it comes to betting, will be hoping to get his money back at Glorious Goodwood, and Danetime is now an 8-1 chance from 12-1 with Coral.

The same firm sponsors the Eclipse Stakes at Sandown tomorrow, and while they have seen steady support for Finsck, the second-favourite, all week, Bosra Sham remains a solid market leader for the race. Those who wish to back before without having to accept odds-on on the day do so, since Coral have opened a book on whether she will win by more than two lengths. Henry Cecil's filly is 2-1 to beat her four rivals by up to that margin, while it is 11-4 that she will win by further. Given her performance in the Prince of Wales's Stakes at Royal Ascot, when she quickened right away to win by eight lengths, there may be plenty of takers for the latter offer this morning.

Bridgwater to sue owner over dismissal

David Bridgwater yesterday underlined his determination to make a fresh start as a freelance jump jockey despite taking legal action over his sacking by the owner Darroo Mercer.

Bridgwater quit his job as Martin Pipe's stable jockey during last season, eventually linking up with Mercer, who had taken his horses away from the champion jumps trainer. But Mercer terminated the agreement on 30 May prompting Bridgwater, who is currently recovering from a broken left arm, to sue for a reported

£28,500. A High Court writ has been issued.

"My agreement with Mr Mercer has been terminated and I will be riding freelance when I come back from injury," Bridgwater said. "I just want to get on with my career, the whole thing winds me up. I want to get back to riding horses."

Mercer, meanwhile, has indicated he will counter the action. "I am very, very surprised. No money are due to him and any proceedings which are issued against me will be vigorously defended," he said.

RACING RESULTS

CATERICK
2.20: 1. OPEL GIRL (F) 7-4 (w) 1st, 2. Goodwood Queen (F) 5-2, 3. Hester (F) 11-10, 4. 1st, 5. P. B. 1st, 6. P. B. 1st, 7. P. B. 1st, 8. P. B. 1st, 9. P. B. 1st, 10. P. B. 1st, 11. P. B. 1st, 12. P. B. 1st, 13. P. B. 1st, 14. P. B. 1st, 15. P. B. 1st, 16. P. B. 1st, 17. P. B. 1st, 18. P. B. 1st, 19. P. B. 1st, 20. P. B. 1st, 21. P. B. 1st, 22. P. B. 1st, 23. P. B. 1st, 24. P. B. 1st, 25. P. B. 1st, 26. P. B. 1st, 27. P. B. 1st, 28. P. B. 1st, 29. P. B. 1st, 30. P. B. 1st, 31. P. B. 1st, 32. P. B. 1st, 33. P. B. 1st, 34. P. B. 1st, 35. P. B. 1st, 36. P. B. 1st, 37. P. B. 1st, 38. P. B. 1st, 39. P. B. 1st, 40. P. B. 1st, 41. P. B. 1st, 42. P. B. 1st, 43. P. B. 1st, 44. P. B. 1st, 45. P. B. 1st, 46. P. B. 1st, 47. P. B. 1st, 48. P. B. 1st, 49. P. B. 1st, 50. P. B. 1st, 51. P. B. 1st, 52. P. B. 1st, 53. P. B. 1st, 54. P. B. 1st, 55. P. B. 1st, 56. P. B. 1st, 57. P. B. 1st, 58. P. B. 1st, 59. P. B. 1st, 60. P. B. 1st, 61. P. B. 1st, 62. P. B. 1st, 63. P. B. 1st, 64. P. B. 1st, 65. P. 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ANDY FARRELL
reports from Druids Glen

Yesterday, in his first round since his back troubles forced him out of the Volvo PGA six weeks ago, Ballesteros shot a four-over 75 in the Irish Open. 10 shots behind the leaders Westwood. The 24-year-old from Workson established a

Instead, there were further compliments for Westwood. Nick Faldo, who made a solid if unspectacular, start with a 69, played a practice round prior to the US Open with Westwood.



Learning from defeat was the key, Faldo said, although Westwood has nothing much to forgive himself in his near misses this

breath-taking: a seven-iron to 12 feet at the 10th, a four-iron to four feet for an eagle at the 11th, an eight-iron to 15 feet at the

leading 30-year-old scorers (23 or 4) unless stated
 67: 85 L Westwood, 88 T Bjorn (Den), N Faldo
 87: S Richardson, R McFarlane, 88 R Allenby (Aus),
 C Montgomery, D Galford, 89 C Rocca (U), M A
 Jimenez (Sp), K Vinnico (Fin), R Chapman. Se-
 lected: 71 J Woosnam, S Torrance, 74 J M Olze
 (S), 75 B Larmer (Ger), S Baddeley (S)

CHRIS HEWETT
reports from Johannesburg

"We were delighted with Mark's all-round play on Tuesday and we've always said we

Catt will renew an old acquaintance at Ellis Park in the shape of Jannie de Beer, the Free State stand-off and a fellow debutant at this level. The two played against each other during their schooldays in Port Elizabeth. "Jannie was and is a very talented footballer who

Tim Stimpson, the Lions' leading point-scorer with 111 wins a place on the Test bench for the first time, as do Allan Bateman and David Young, the two Welshmen, and it may well be part of the strategy to use three or more substitutes in the course of what promises to be another extreme encounter.

BRITISH ISLES: N. Jenkins (Pontypool and Wales); J. Bentley (Newcastle and England); J. Cascott (Bath and England); S. Gibbs (Swansea and Wales); T. Underwood (Newcastle and England); M. Carr (Bath and England); J. Jones (Cardiff and England); T. Smith (Waterloons and Scotland); M. Reegan (Glasgow and England); P. Wallace (Swansea and Ireland); M. Johnson (Leicester and England); J. Davidson (London Irish and England); J. O'Connell (London Irish and England); R. Brodie (Northampton and England); M. Black (Leicester and England); R. Kempsters (Stamford Newcastle and England); A. Bates (Swansea (Richmond and Wales); A. Healey (Leicester and England); J. Williams (Richmond and Wales); J. Williams (Walsley and Wales); H. Williams (Garners and England).

Athletics

MIKE ROWBOTTOM

Backley throwing the javelin consistently well after a trouble-free winter of training, faces the world and Olympic champion Jan Zelezny in the Bislett Games, an event with a history of fine javelin performances and a place where Zelezny has set a world record.

A throw of 86 metres was sufficient for Backley to add a victory in Sheffield to the one he had achieved with a similar distance the previous week at

With the World Championships in Athens three weeks away, Backley sees Oslo as a opportunity to gauge how everyone stands in the javelin world. "I've still got plenty of time to step up my drill movements," he said. "But it would be nice to get one over on Jan.

Christie's business partner, Coe in Jackson, also has a point to prove in the 110m hurdle against two of the Americans who finished ahead of him in

While Oslo has hosted top quality spear-throwing, the outstanding performances have occurred in middle-distance

running, particularly in the 10,000m. Haile Gebrselassie will tonight attempt to regain the world record he lost to Salah Hissou last year. The Moroccan world record of 23min 35.08sec eclipsed the 26:43.53 Gebrselassie achieved in 1995.

Both the previous world marks were set within the sheltered but vibrant confines of the Bissett Stadium, with Kenya's Yobes Omdiel breaking the 20-minute barrier in 1993 and his fellow countryman William Sigei improving the mark to 26:52.53 the following year.

Rugby League

DAVE HADFIELD

Leeds have put their goal-kicking half-back Graham Holroyd on the transfer list for £195,000 after he asked for a move. The 21-year-old kicked the winning penalty against Halifax on Wednesday, but has been unhappy at being used largely as a sub-

stitute since the arrival of the club record signing, Iestyn Harris. Holroyd has already been linked with Sheffield Eagles and Richmond rugby union club, but both will find the price prohibitive.

Leeds prop Barrie McDermott will be out for six months after breaking his leg and fracturing an ankle in last night's victory over Castleford at Head-

ingley. McDermott has had a pin inserted in his ankle and a plate put into his leg, and misses the Test series against Australia.

Wigan and the London Broncos are playing for second place in the Stones Super League Championship when they meet at The Stoop tonight. Both are 10 points behind the Bradford Bulls with a match in hand.

There will be two familiar English faces in the London line-up, with Shaun Edwards and Martin Offiah facing their old club.

Although the London coach, Tony Currie, is keeping quiet about some positional switches he has in mind, he will have his captain, Terry Matterson, available. Matterson has withdrawn from the Scotland squad

to play France in Glasgow next week because of a nagging calf injury, but will be patched up to face Wigan, who have Paul Koloi on the wing in place of the injured Andy Johnson.

John Duffy, the 17-year-old Warrington scrum-half who has just recovered from a broken leg, has been added to the Scottish squad.

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هكذا من الأصل

In the boxing world today, anything goes if it drums up a profit

An understandable reaction to Mike Tyson's outrageous behaviour is that it justifies the contempt many people have for professional boxing. Tragedy has imposed itself too often on boxing for last Saturday's squalid events at the MGM Grand in Las Vegas to be seen as terminally self-destructive. But even so, who continues to find the rough old game in its purest form thrilling have to accept doubts about its long-term future.

Boxing has never subscribed to the rules of polite society and, as Tyson's image as a violent living-on-the-edge predator has always been a big part of his appeal, the career of boxing's cash machine - Tyson's purses for six contests since being released from prison exceed \$140m (£86m) - may not be over.

Although executives of the cable television network, Showtime, that has provided much of Tyson's wealth were unquestionably appalled by his despicable conduct they are sensitive to the possibility of a move by their chief rivals, Home Box Office. I am reliably informed that HBO want nothing to do with the former undisputed champion, and in any case responsibility for ensuring that Tyson is suitably punished rests with the Nevada Athletic Commission. Empowered by state law to fine Tyson 10 per cent of his \$30m purse they are obliged to impose at least an 18-month suspension. Anything less would be an insult to society and

in ignorance of widespread revolution. In the four days since Tyson was disqualified for biting Evander Holyfield's ears I have spoken to many people who watched the incidents on television or read about them in newspapers. All were disgusted, none convinced by the apology Tyson issued on Monday.

They included a small group of boys at baseball batting practice in Albany. Asked if they thought that Tyson's remorse is genuine, one, a rough looking item, said, "Naw, he's just trying to get off those charges." A problem for the traditionalists is that television's pernicious influence has served to place boxing only a short step ahead of professional

speaking at a press conference, we were subjected to a horrible slanging match between two women who appeared on the undercard. Apart from a personal objection to women in the ring this was typical of values that now prevail in boxing. Anything goes if it drums up a profit.

It was suggested this week that a sure-fire seller would be Tyson against the ancient George Foreman. "Bring that one in and you'd be sure of a pay-per-view record," somebody said. This says a great deal about human nature. As for Tyson, he can no longer be regarded as one of the great heavyweights. Even before incarceration took away his once remarkable leg speed and manoeuvrability there was



KEN JONES

wrestling. Promoters argue that they must conform to modern preferences in style and presentation but this ignores the importance of boxing's traditional dignity. Last week, for example, before Holyfield and Tyson took turns to

control when a head butt split his right eyelid. Significantly, you may think, US television executives do not think this scandalous affair will have an adverse effect on boxing's hard-core popularity. Rob Correa, vice-president of programming for CBS sports, said: "I don't think it's a bonus or a distraction. I just think it's another way in the world of boxing. A lot of people tuned in to see Tyson out of curiosity, but I don't think that's going to evolve into more or less viewers in the future. This sport is always on the verge of something chaotic."

Sport? As the referee, Mills Lane, said after last week's contest: a business that just happens to find its way on to the sports pages.

Jansen takes on Celtic challenge

Football
MARK BURTON

Wim Jansen was revealed yesterday as the man who has taken on the poisoned chalice of the Scottish game, taking over as Celtic's head coach on a three-year contract. At least he will start the daunting task of producing a side to challenge Rangers' dominance in familiar surroundings. He will link up with his new charges today, one day into their three-match tour of his native Netherlands.

The appointment of 53-year-old Jansen brings to an end Celtic's search for a new figurehead after the dismissal of manager Tommy Burns 10 weeks ago. Jansen, flanked by Celtic's managing director, Fergus McCann, and their general manager, Jock Brown, when his appointment was announced yesterday, has been out of football for six months after being in charge of the Japanese League side, San Frecce. He made his name as a coach at the Rotterdam club, Feyenoord.

Jansen acknowledged that he faces a big challenge, but it is one he relishes. "Celtic has always had a special place in my memories," he said. "They were involved in the greatest day of my career - the 1970 European Cup final against Feyenoord - and I want to bring Celtic back to the highest level. I am delighted to be joining such a famous club."

Jansen, who 65 caps and played alongside the Dutch legend, Johan Cruyff. Sheffield United, frustrated in their pursuit of Bruce Rioch by Queen's Park Rangers' refusal to allow them to talk to their assistant manager, met Joe Royle for secret talks yesterday about becoming their new manager and completing a swap with Howard Kendall. The former Everton manager impressed United officials at an interview and maybe given the post in the next 48 hours.

Royle would link up again with his old Everton No 2 Willie Donachie if he asked to replace Kendall. Chris Waddle is in talks with Burnley about becoming their new player-manager. The former England winger and his agent met the Second Division club last night and he could pip Wrexham's Brian Flynn for the job.

Fabrizio Ravanelli is facing disciplinary action from Midlands football after failing to report back for training at the Riverside Stadium yesterday. The Italian striker, who is expected to leave Teesside before next season, has already said he will not play for Boro following their relegation from the Premiership.

His escape route could take him to Goodison Park. Everton's new manager, Howard Kendall, has told Bryan Robson to take his pick of players in exchange for Fabrizio Ravanelli. Kendall is willing to give Middlesbrough one, or even two, of his squad for the Italian striker.

Sasa Curcic, the Aston Villa midfielder, was another foreign import to fail to report back for pre-season training. The Yugoslav international will face the wrath of his manager, Brian Little, after being stranded in Spain with an expired visa.

Lightbourne opts for Coventry move

Coventry City have beaten Sheffield Wednesday to the signature of Kyle Lightbourne, Walsall's Bermudian international striker, with the fee likely to be decided by a tribunal. Eoin Jess has left Coventry to rejoin Aberdeen for £650,000. Steve Sedgley, Ipswich's former Tottenham utility player, is set to join Wolves after talks with Mark McGhee yesterday. Paul Bracewell, the Sunderland and former England midfielder, has followed Peter Beardsley in turning down the chance to succeed Lou Macari as manager of Stoke, who hope to sign Port Vale's Tony Naylor as a replacement for Mike Sheron, who has moved to Queen's Park Rangers.

Dario Gradi, the Crewe manager, has agreed a £2m fee with Tottenham and Liverpool for Danny Murphy, the England Under-20 midfielder. "There's no pressure on him to go," Gradi said, "but if they want him to spend a season in their re-

serves first, then he might as well play for us." The Football League could follow their Continental counterparts if the introduction of a long-term loan system is given the go-ahead later this month. Foreign clubs already have the provision for taking players on-loan for up to a season and a similar suggestion recently received widespread support at the Football League's Chairmen's Conference in mid-June.

Existing arrangements, which will remain unaltered, allow five players to be signed in any one season and no more than two at any one time. However, the system could be supplemented by the introduction of new rules which would allow clubs the opportunity to take on two additional players on a long-term basis.

Chester's manager, the former Welsh international Kevin Ratcliffe, has hung up his boots after a career spanning almost 20 years.

Westminster stole a quarter length off the start and had pulled out to half a length before Radley hauled them back to level at the Mile Post, but Westminster dug deeper to win by two-thirds of a length. St Pauls will be happy to have gone six seconds faster heating Abingdon by two lengths.

Rudersgesselschaft Wiking, the Berlin lightweight entered in the Thames Cup for club eights, were ruled out after the Regatta's authorities were told they had rowed with three overqualified oarsmen.

The Thames Cup excludes any who have raced in a World Championships or Olympics within the past four years. "By the time they got to me that had read the rules carefully, and were obviously dismayed," the Regatta chairman, Mike Sweeney, said. Tideway Scullers School, coached by Richard Tinkler, "rowed over" to gain a third round race with Castle Semple, of Scotland.



University College Dublin (left) and Nottingham University avoid a ducking in the Temple Cup yesterday

Photograph: Robert Halliam

Searle sets up stern test of his sculling

Today Searle will race Adri Midgag, the Dutchman who looked smooth and accomplished yesterday and could prove a stumbling block in what Searle described as "a winnable race". In the other half of the draw, Peter Haining defied his early season form to scull through Nick Macdonald Crowley, the first "selected" sculler to be put out. Haining happy with his returning strength, embraced the loser on the finish line and

said: "Everyday it's a little better." The women's sculling event, now known as the Princess Royal Challenge Cup, opened with wins for the two Olympians, Britain's Gail Batten and Maria Brandin from Sweden, who set the record here in 1995.

In the Princess Elizabeth Cup for schools who Westminster, winners of the second round event at the National Schools Regatta beat Radley, who won the top title their.

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Dismasted Briton in amazing race

In a remarkable piece of ingenuity and sheer determination, British short-handed sailor Mark Turner, with crew Fred Leclerc, yesterday completed the Mini Fastnet 11th out of 29 starters despite being partially dismasted in high winds north of the Scillies on Tuesday, writes Stuart Alexander.

Pressure on Estoril to improve track

The Portuguese government, racing against time to regain a Formula One grand prix at Estoril this year, is pondering drastic action to meet the deadline for the track improvements there that have been demanded by the sport's ruling body. The FIA gave a 31 August deadline for the completion of improvements at the country's only Formula One circuit, but negotiations between the government and the circuit's owners are deadlocked. Officials are considering requisitioning the venue so that work can be started, according to the daily newspaper *Publico*. The government may also choose to appropriate the circuit or build a new one, the report said.

Motor racing

Rubens Barrichello escaped unhurt from a 175mph crash during testing at Silverstone yesterday. Mike Hakkinen recorded the fastest time in a session which also saw Damon Hill crash into the pit wall.

Baseball

Atlanta Braves beat Chicago White Sox 5-1 in the first game of the National League Championship Series.

Baseball

San Francisco Giants beat Los Angeles Dodgers 4-3 in the first game of the National League Championship Series.

Baseball

St. Louis Cardinals beat New York Yankees 5-4 in the first game of the American League Championship Series.

Baseball

Los Angeles Angels beat Texas Rangers 4-3 in the first game of the American League Championship Series.

Baseball

Seattle Mariners beat Oakland Athletics 4-3 in the first game of the American League Championship Series.

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WIMBLEDON 97



Martina Hingis shows the full face of the racket on the way to her victory in straight sets over Anna Kournikova yesterday

Photograph: David Ashdown

Hingis pulls rank on Kournikova

GUY HODGSON

The problem with history is that you cannot guarantee where it is going to happen. Britain waited for the momentous to unfold on No 1 Court yesterday, only for Centre Court to provide. It was like setting up your deckchair on the wrong Spanish beach and missing the Battle of Trafalgar.

All England expected; 16-year-old Martina Hingis did her duty, becoming the youngest Wimbledon finalist this century. If she wins tomorrow only Lottie Dod, at 15 years 285 days in 1887, will have been a younger champion. The downside of Henmania has meant she is not getting the acclaim she deserves.

Hingis beat Anna Kournikova 6-3, 6-2 in 1hr 2min that was not as easy as the scoreline suggests. The Russian possibly deserved a set, but Hingis is not in the habit of letting those slip, as six unblemished matches at Wimbledon testifies. "No one is going to ask what the score was," the No 1 seed said. "It's just a victory."

"It wasn't one of my best performances, but she really went for her shots. I was like, 'Oh God, another winner'." More importantly, the flat trajectory of Kournikova's fierce shots left little margin of error and it was a line she frequently crossed.

Nevertheless, Kournikova, also 16, has improved so much during the Championships that it has not required a fanciful imagination to foresee her rival

valy with Hingis developing into the clash of the titans that was Navratilova versus Evert. Martina won that series and another Martina yesterday went 2-0 up in the current one.

Hingis, for one, saw the latest victory as an instalment in a saga rather than a definitive statement. "When we posed for the photographers after the toss I said 'This is not the first time and I'm sure there are going to be many more times'. Everyone is making a big rivalry of it. Until now I've beaten her at the great tournaments so she still has something to improve, but she's getting better and better."

The Russian girl is so new to this game that her career earnings are \$205,659 (£127,000), which would keep most teenagers in Spice Girls paraphernalia but

is laughably small in a sport where Hingis, just nine months older, has accumulated more than \$3m (£1.8m). Experience was bound to count sometime against her at Wimbledon, her second Grand Slam tournament, and that time was yesterday.

"I'm sure I'll learn something from this match," Kournikova said before looking at the positive. "I've had a great tournament. I'm really happy the way I played. It's unbelievable I got to the semi-finals. I was dreaming about this."

When she wakes up to reality it is safe to say an urgent drill on the training schedule at Nick Bollettieri's camp in Florida will be getting a serve to land in the box in such a way it does not crave to be walloped. Hingis hardly threatened Goran Ivanisevic's record of 46 aces in a match either but at least her opponent had to think a hit. The only problem when facing Kournikova yesterday was whether to go for the winner on the backhand or the forehand side.

The first six games went to the receiver so that when Hingis actually lunged on to her serve you felt a turning point had arrived. So, clearly, did Kournikova who suddenly began to grimace with an injury to her left hip.

What was really hurting her, however, was the innocuous nature of her opening shot. Kournikova has a wonderfully free forehand, about as exuberant a shot as you will see in tennis, but it amounts to little if she is chasing the point rather than dominating it.

Hingis sent her opponent from side to side, wearing her down with accuracy as much as power, so that if there are complaints about a trench at either end of the court you know who to blame. Kournikova returns like a boomerang she cannot retrieve indefinitely.

Kournikova did not win a serve until she was 3-1 down in the second set, by which time Hingis had her gaze fixed on the finishing line. The last three games were over in a flash.

For Hingis the chance is there to erase the memory of her losing the French Open final to Iva Majoli last month, her only defeat this year in 43 matches. "In Paris I was already tired when I stepped on to the court. I wasn't in great shape. This time I'm really looking forward to it."



Power play: Pete Sampras strikes a backhand during his four-set defeat of Boris Becker

GUY HODGSON

It was billed as the meeting of the triple champions and potentially the match of the century. Instead it proved to be Boris Becker's valediction. Pete Sampras reached his fifth semi-final in six years; the German announced his retirement.

The champion of 1985, 1986 and 1989 and four-times runner-up revealed he would not be returning. "That's it for me," he said. "This is my last time at Wimbledon. I feel it's a good moment to go."

The score yesterday was 6-1, 6-7, 6-1, 6-4, but if you wanted

a true representation of the way the match went it would be best to ignore the second set. Becker pickpocketed that as surely as if he had slipped his hand into his opponent's tennis bag.

By the end he looked thoroughly demoralised, shrieking at his errors, hangdog in his demeanour. He was reminiscent of Jimmy Connors facing John McEnroe in the 1984 final in that everything he tried simply could not cope with the wizardry heading his way. Sampras, yesterday, was incandescent.

The tone was set from the beginning. Becker, once known as "Boom-Boom" because of his service, was broken in the first game and lost the set in 25 minutes. The statistic for first serves

in said everything. 70 per cent for Sampras, 27 for Becker.

In the second, the German clung on, barely threatening Sampras but somehow resisting the waves of power and invention coming over from the other side of the net. Sampras would surely take the tie-break: incredibly he lost it 7-5.

Would Sampras, Wimbledon's champion for three successive years from 1993 to 1995, crack at this injustice? There was more chance of the All England Club painting advertising logos on their laws.

The American took the third set at a gallop and then broke Becker early in the third winning in 2hr 2min. When Sampras serves, volleys and passes

like that he is virtually impossible to beat as Todd Woodbridge may find out today.

At the end of the two great champions met at the net. Becker stopping to chat to the irresistible force. He might have said "Good luck", but it would have been superfluous. Sampras is the only seed left in the men's singles and, in all probability, the only one with any hope of winning the championship on Sunday.

Becker, fast closing on his 30th birthday, walked with Sampras to the locker-room and then allowed the American to go ahead, pausing to make an exaggerated gesture of thanks to the Centre Court crowd. It was his final bow.

Broken Becker bids farewell

Court circular

Kournikova first of a long line

Anna Kournikova's 6-3, 6-2 semi-final defeat yesterday by Martina Hingis did little to dispel the conviction that Kournikova is not only on a path of personal glory but to blaze a trail for a generation of Russians coming on behind her.

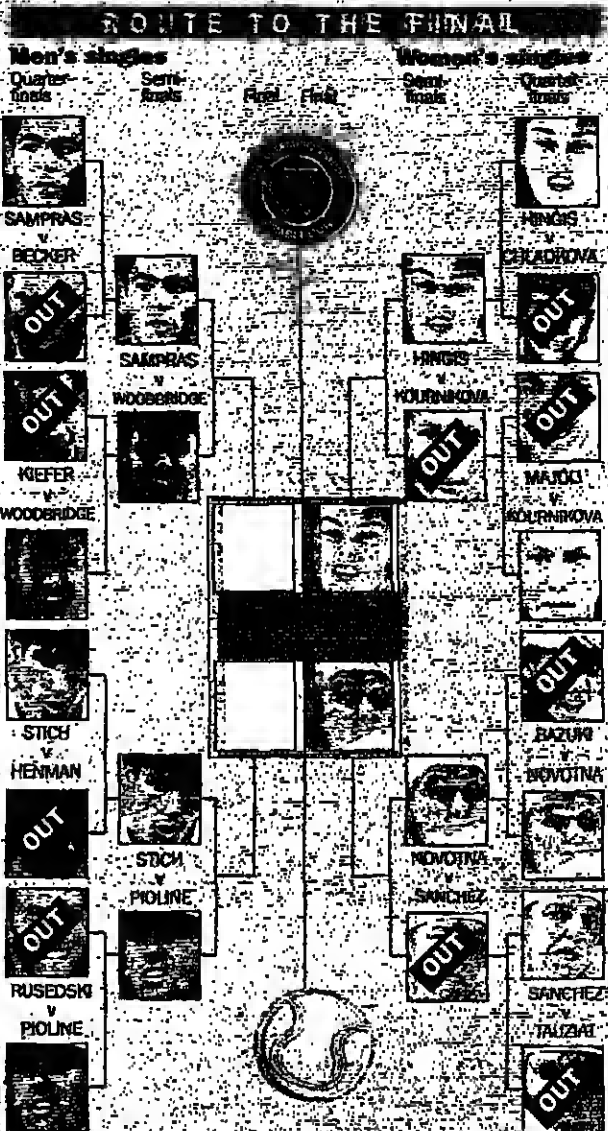
Down by the rubbish dump and old storehouses round the back of Moscow's sprawling Sokolniki park may seem an unlikely nursery for the world's most glamorous teenage tennis prodigy, but at the Spartak Olympic Sports School they claim the hard-hitting 16-year-old for their own and are aggrieved at media reports that she owes her success to coaching at the Nick Bollettieri academy in Florida over the last five years.

What is more, there are dozens of Russian youngsters whose names she came from. Kournikova has attended the Spartak school, one of the former Soviet Union's full-time hot-houses for young sporting talent,

since the age of six. Of its 18 mostly clay courts, only one is indoors but, according to staff, Kournikova still trains there regularly. "All the credit's going to Bollettieri," director Natalya Kochetkova said. "But she spends most of her time here."

Spartak's Larisa Prokhorovskaya is still Kournikova's coach, travelling with her to tournaments, and another Spartak coach, Rosa Mukhammedzhanova, said: "We'll produce a lot more Kournikovas in future. We've dozens of very strong under-12s and under-14s. You're going to see a lot more Russians in international tournaments."

Staff at the school were quick to praise her. "She burned with a huge desire to play. You just couldn't get her off the court," said Marina Byrskova, who coached her for two years. "We're all very proud that such a great athlete grew up on these great courts," Mukhammedzhanova added.



THE NUMBERS GAME

- 110 Martina Hingis is, at 16, the youngest women's finalist in 110 years.
- 3 Pete Sampras saved the only three break points against him in his quarter-final yesterday.
- 18 The number of aces served by Britain's Greg Rusedski in his quarter-final. He had served 109 in the previous four rounds.
- 1 The number of times Anna Kournikova held serve in her semi-final against Hingis yesterday.
- 15 Rusedski has lost just twice in his last 15 matches.
- 3 The number of unseeded players in the men's semi-finals.

TODAY'S WEATHER

Bright intervals, showers maybe thundery Maximum temp 19C

Lake's designs on stage career

Valda Lake, the 28-year-old Devon player, is swapping tennis for another kind of set. She is retiring to concentrate on her new career as a theatre set designer in New York.

The bubbly Lake never rose to great heights on the tennis court but she had 13 years on the circuit and was good enough to play for the British Fed Cup team last year and was runner-up to Wales' Sarah Loosmore in the British National championships at Telford in 1988.

"I've been living in New York for the past two years, dabbling between tennis and set designing," she said. "But now I'm going to go full time with my design work. It's been great fun playing tennis all round the world but I guess you have to finish some time."

Certainly Valda bowed out of Wimbledon with one last bright memory. Playing with the Berkshire player, Paul Hand, she was beaten in the first

round of the mixed doubles by the South African John-Laffnie De Jager and a certain Martina Hingis.

But as she said: "It was a good way to finish, playing against the best player in the world."

□□□

Wimbledon is a time when all the former greats gather to chew the fat and Charlie Pasarell, twice a record breaker at Wimbledon, is no exception.

Pasarell, who runs the Indian Wells tournament in California and serves on the ATP Tour's Council, holds two records at Wimbledon that may never be equalled.

He played an epic match against Pancho Gonzales in the 1969 championships which lasted for five hours and 12 minutes, the longest in Wimbledon history.

Two years earlier, he had beaten Manuel Santana, the Spaniard who was defending his

title, in the first round, the first and only time that the holder has been beaten in his opening match.

Pasarell, still looking very fit, said: "It seems like yesterday when I played Pancho and I still feel tired."

□□□

Firefighter Eddy Spong, of the London Fire Brigade Western Command, has been stewarding at Wimbledon for 24 years but he did not realise he might have another connection with the All England Club.

Eddy's 12-year-old daughter, Samantha, was browsing through a Wimbledon programme when she noticed an article about A E H Spong, who had won the All-England Croquet championship three years running in the 1890s.

"Samantha asked me if we were related to this fellow," Eddy said. "But I don't really

know. There are not too many Spongs about so there could be some connection."

□□□

What has been the most amusing match at Wimbledon this year? According to many on-lookers, it was a mixed doubles match in the first round.

What was good about it? On one side of the net was the American Kelly Jones, playing with the Australian Kristine Kuncz, and on the other was Kelly's wife, Tami, partnered by the South African Brent Haygarth.

Kelly, as a dutiful husband, never hit the ball too hard at his wife. But Tami had no such worries. She belted the ball at Kelly with all her might.

It didn't do a lot of good. Kelly and Kristine won 6-4 6-3, but they all had a good laugh, which makes a change in these days of high-powered tennis.



QUOTES OF THE DAY

- He threw his racket and didn't get a warning. I got a warning for nothing. A peeved Nicolas Pietrangeli after his defeat yesterday.
- The mind says: 'I want to go out there and play my best', and the body says: 'No! Greg Rusedski after his quarter-final defeat by Gedric Ploiere.
- For sure, it wasn't one of my best performances. I'm going to have to improve something for Saturday... If I win the final it would be my greatest feeling. Martina Hingis after her semi-final victory.
- I didn't come here to retire, I came here to win the championship. Michael Stich after beating Tim Henman.

RESULTS

- Men's singles**
Holders: R Krajcek (Neth)
Quarter-finals
M Stich (Ger) bt T Henman (GB) 6-3 6-2 6-4
P Pietrangeli (Fr) bt G Rusedski (GB) 6-4 4-6 6-4 6-3
P Sampras (US) bt B Becker (Ger) 6-1 6-7 6-1 6-4
T Woodbridge (Aus) bt N Kiefer (Ger) 7-2 6-2 6-4 6-4
- Women's singles**
Holders: S Graf (Ger)
Semi-finals
M HINGIS (Swi) bt A Kournikova (Rus) 6-3 6-2
J KURNIKOVA (Cz Rep) bt A SANCHEZ VICARIO (Sp) 6-4 6-2
- Men's doubles**
Holders: M Woodbridge and T Woodbridge (Aus)
Quarter-finals
W Black (Zim) and J Grubb (US) bt D Johnson and F Montana (US) 6-4 6-1 6-2
M DAVAN and P WIDNER (Cz Rep) bt N Broad (GB) and P NORVAL (SA) 4-6 4-6 7-6 6-4 6-4
- Women's doubles**
Holders: H Sukovic (Cz Rep) and M Hingis (Swi)
Third round
L NEILAND (Lat) and H SUKOVIC (Cz Rep) bt N TAJCIC (Cn) and L WILD (US) 6-4 6-4
N ARNETT (US) and M BOLLEGRAND (Neth) bt N KURNIKOVA and N MYAGI (Uzb) 6-2 3-6 6-1
- Mixed doubles**
Holders: C Suk and C Sukovic (Cz Rep)
First round
M Petchey and C Wood (GB) bt E Sanchez and A Sanchez (Mor) 6-1 4-6 6-4
J GANEVSKI and C FALIN (US) bt M Jagan (US) and B Schütz-McCarthy (Neth) 7-5 6-7 6-1
T JOHNSON and L WILD (US) bt H J Davids and M GORMAN (Neth) 6-3 6-4
- Second round**
T Nelson (Neth) and Y Sasaki (Ind) bt M Neil and G Hedges (Neth) (US) 6-3 6-4
A OLSHOVSKY (Rus) and L NEILAND (Lat) bt P Nyberg and A Carlson (Swe) 7-5 6-3
- Third round**
A OLSHOVSKY (Rus) and L NEILAND (Lat) bt P Nyberg and A Carlson (Swe) 6-2 7-6

Armstrong and Shales win final

Gerry Armstrong and Jeremy Shales, two of the longest-serving umpires at Wimbledon, will be in charge of the two singles finals this year.

Armstrong, from East Dean, Sussex, will umpire the men's singles final, scheduled for Sunday, while Shales, from Teddington, Middlesex, will umpire tomorrow's women's singles.

It will be Armstrong's second men's singles final, for he was also in charge of the 1988 final between Stefan Edberg and Boris Becker.

Shales, who has been umpiring at Wimbledon since 1960, first took a women's singles final in 1978 when Martina Navratilova won the first of her nine victories by beating Chris Evert.

Bobby Wilson, who reached the quarter-finals at Wimbledon four times between 1958 and 1963 is honest enough to admit that the general standard of play today is far higher than in his day.

But the former British Davis Cup player thinks today's professionals have a much easier life than when he was striving to reach the top. "Nowadays, the players run their own tour and can go anywhere, do anything and are entirely independent," he said. "In my day, the national associations ruled the roost and we betted you if you stepped out of line. You only went abroad with permission from your national association and did as you were told."

A conversation overheard in the Press Association Centre Court gallery today:

A man walked in, looked round and said: "I've come here because someone wants to do an interview with Pat Cash."

The steward in charge, firefighter Bobby Gorman of the London Fire Brigade Western Command, replied: "You want to do an interview with Pat Cash?"

The man staggered back and said: "I am Pat Cash." The result: no interview.

ON WEDNESDAY IT WAS THEM.				
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Match 5 plus bonus ball	28	£60,012	£1,680,336	
Match 4	923	£1,137	£1,049,451	
Match 3	37,850	£61	£2,308,550	
Match 2	663,929	£10	£6,639,290	
TOTALS	702,732		£26,056,851	

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Headley hurtles in
Derek Pringle on England's
latest Test success, page 31

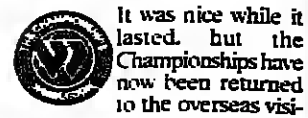
sport

Back seat Seve
Andy Farrell at the Irish
Open, page 28

WIMBLEDON '97: Henman and Rusedski fail to keep the flag flying as Stich and Pioline put a dampener on No 1 Court

Britain's day of broken dreams

JOHN ROBERTS
Tennis Correspondent



It was nice while it lasted, but the Championships have now been returned to the overseas visitors.

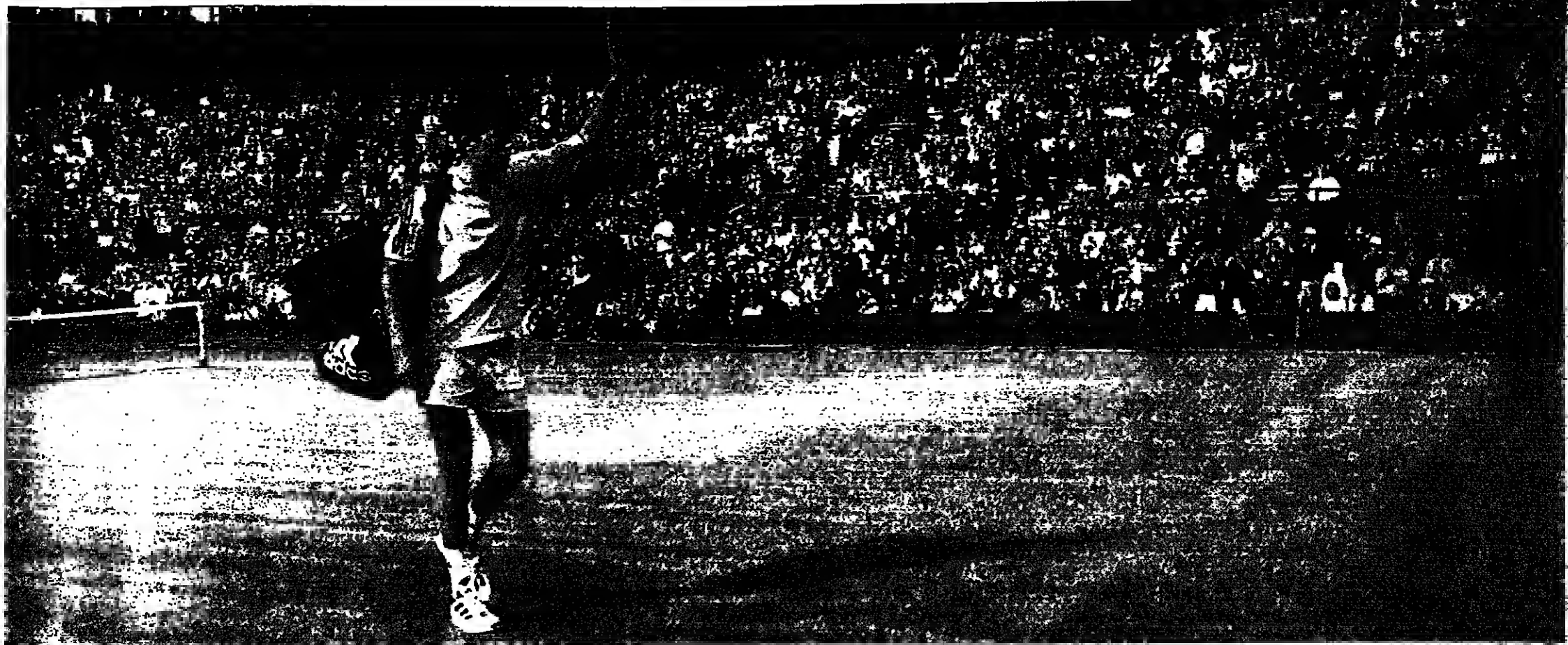
Tim Henman and Greg Rusedski tried as hard as they could in the circumstances, but both were outplayed by superior opponents on the day. So ended Britain's dream of two men duelling in the semi-finals, one of whom would have advanced to the final for the first time since Bunny Austin met Donald Budge in 1938.

Rusedski, the Canadian-born British No 2, was unable to produce the consistency or serve or the efficiency of return to make a dent in the confidence of Cedric Pioline. The Frenchman won 6-4, 4-6, 6-4, 6-3 in two hours precisely and will now meet Michael Stich, the 1991 champion.

The German required only an hour and 28 minutes to outclass Henman 6-3, 6-2, 6-4. Henman, in common with Rusedski, was unable to rely on the efficiency of his serving, and Stich gained in confidence with virtually every winning shot. Henman said, "It was probably the worst experience of my life on a tennis court."

Henman's defeat means that there will be at least one unseeded finalist again. The 22-year-old from Oxford, seeded No 14, experienced the misfortune of playing Stich when the 28-year-old German was in the mood and physical condition to make a mockery of his ranking of No 88 in the world.

Stich has announced that he will retire from Grand Slam tennis after Wimbledon, a decision taken because of a degenerative shoulder injury and the realisation that he has done his best.



Double disappointment: Britain's Tim Henman waves to the crowd on No.1 Court after following Greg Rusedski (right) out of the tournament

Photographs: David Ashtown

sample life away from the tour. He arrived at the All England Club far from pleased with his season and determined to leave on as high a note as possible. Having exceeded most people's expectations, he now has the drive to fulfil his own by bidding *au revoir* on the Centre Court on Sunday, with or without the trophy in his hands.

Stich, it may be remembered, was the triumphant rain man of 1991 when the All England Club experienced its worst soaking until the past week or so. He defeated Stefan Edberg in three tie-break sets in the

semi-finals and overpowered his illustrious compatriot, Boris Becker, in a final blessed with glorious sunshine.

Often lugubrious on the court, sometimes to the point of wearing the look of the chief mourner at his own funeral, Stich allowed himself a broad smile at the end of yesterday's performance, he raised his arms to his sparse but vociferous supporters and then tapped his racket in appreciation of the generous applause from the majority of the 11,000 who had come in the new No 1 Court in the hope of halting British suc-

cess. Stich was even moved to toss his two Wimbledon towels into the crowd, making the odd cynic or two wonder if he had a couple of pals who would come to place them on seats for today's matches.

Henman at this point had had enough of the proceedings. He did not wait for his opponent but walked off the court alone, sparing a modest wave for the thousands who still chanted his name.

Henman's match had barely started when the rain came to send the players back to the locker rooms for two hours and 43 minutes. Having been unable to take advantage of a break point, the Briton at least had the encouragement of knowing that he could attack the German's serve. When the players returned, however, Stich immediately put pressure on Henman's serve, and although this was saved the pattern of an all-to-brief contest was set: Stich on the offensive, Henman struggling to staunch the flow of points.

Such was the strain of trying



YESTERDAY AT WIMBLEDON

to outwit his opponents that Henman began to feed Stich with double faults. He hit six in 15 serves to the concluding stages of the opening set, three of them in being broken to 5-3. The last of these may have started even Stich, so far off the mark was Henman with both serves on the third break point of the game.

The German lost only one more point in serving out the set after 31 minutes. He then took advantage of Henman's seventh

double fault to break for 2-1 in the second set, luring his opponent into hitting a back hand over the baseline by returning a second serve.

Henman had no opportunity to break back immediately when Stich double-faulted in the next game, but the German swept away the error with a stylish serve and forehand volley, leaving Henman to pick up his own serving errors where he had left off, hitting two more double faults to go 14-1 in arrears.

After taking a two sets to love lead with only an hour played, Stich did not allow Henman a point on his serve until the eighth game of the third set. The Briton salvaged one, and the other was a double fault. By this time Stich could afford to be generous.

Rusedski, whose lower back had troubled him on Saturday, said he felt no physical pain during yesterday's match with Pioline, but admitted to fatigue after a run of impressive form which has lasted through the tournaments at Queen's and Nottingham and enabled him to produce some of the best serve and volleying of his career until yesterday.

Two double faults in losing the opening game did nothing to steady Rusedski's nerve and Pioline, one of the finest returners of serve on the tour, settled into an exhibition of his all-round court craft.

He won the first set in only 26 minutes and quickly recovered after losing the second set. What-



ever gains Rusedski imagined he had made, he was swiftly disabused when the Frenchman picked up his game and began to hit breathtaking passing shots, many of them when returning Rusedski's serves, which began to look less fearsome by the minute.

Pioline, by contrast, allowed Rusedski only three points off his serve in the fourth set, striding into the semi-finals by breaking the Briton with a backhand return. Jealous Rusedski to shake his head in disappointment.

Hinges through to final. Results, page 30

Disappointment for the out crowd

No 1 Court proved an empty, deflating experience for two Britons yesterday, writes **Richard Edmondson**

The stock exchange for today's Wimbledon tickets suffered a Black Thursday when things did not go exactly to plan in yesterday's quarter-finals. Cedric Pioline and Michael Stich advanced, at the same time sending a wrecking ball through the dream semi. Greg and Tim are out.

It will be of some consolation to Greg Rusedski that something happened to the crowd on the way to the forum and his humbling at the hands of a Frenchman was not widely observed.

You would have had to be buried alive for the last fortnight to miss this day as a rare moment of sporting significance in the British sporting calendar. Yet, at 11 o'clock, the people's army (officer division) appeared to be still taking people's breath. In fact, there were many who were detained in the hospitality units and debenture holders' lounge by further tiffin and Rusedski played throughout to a less than packed house.

This, he assured us, did not contribute to his 6-4, 4-6, 6-4, 6-3 defeat. "I wasn't disap-

pointed with the crowd," he said. "The people that came to watch were tremendous and supportive and trying to get me going. I'm just disappointed I couldn't give them something to cheer about at the end of the day."

That day dawned with ominous portents for Rusedski in his morning newspaper. Firstly there seemed to be unequivocal thought that he was on his way to an all-British semi-final. Then there was mention of an Australian cricketer appearing at Old Trafford, a certain Greg Blewett.

Under filthy skies and in the presence of the one-man monsoon season that is Cliff Richard, Rusedski lost the first point in a forehand passing shot from Pioline. There was no way back from there.

The Briton, who was wearing voluminous basketball pants, lost that game and in all honesty failed to find a foothold in the match. Greg is the post-decimal Roscoe Tanner, a left-arm swinger with little more than a huge service in the arsenal. If he could play himself you would be assured of a very short match indeed.

On this occasion the howlers were erratic and the returns a misnomer. This meant a first set barren in terms of continuity. There are more rallies from Paris to Dakar than there were in the opening city.

However, Greg has at least developed a strange intimacy with his towel this fortnight, a relationship which makes him the Linus of the greensward. Wiping his face is not a functional act, it is more a nervous

tic on important points. He tried another system yesterday involving repeated change of the headband. That did not work either and you know the game was up when he asked if his opponent was using new balls just after he had seen them rolled out of the canister for his service game.

There was more tennis in the first game of Henman's match with Stich, but then rain drove the players off court for over two and a half hours. It seems they were drinking bottles of pop during the suspension as both had to leave the arena again after play resumed.

Stich emerged with two strands of cotton drooping from his shorts. Detailed inspection revealed these to be his legs. On a bad day, the German can believe they only hold 67 sum-

to invent ways of doing him down, and if moving was a test of merit he would be an Olympian.

Stich, however, has been liberated by his decision to retire and Wimbledon will be his last Grand Slam tournament. The 1991 champion has a degenerative shoulder injury and has also become fired with the grand of travelling. On yesterday's showing there will be few in the locker room offering a lift to entice him back on the circuit.

By the time of the second session most of the ticket-holders had been disinterested and they witnessed the unusual sight of Henman becoming increasingly traumatised. Having screwed his effectiveness against Richard Krajicek in the previous round our man had forgotten to put the cap back on overnight. He was flat. Henman was distracted, vocally self-critical and eventually driven to thrashing a bag with his racket.

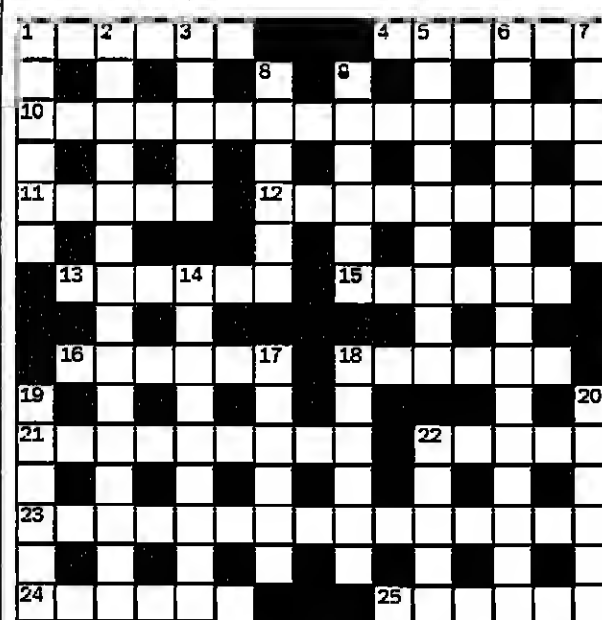
The British No1 described it as the worst day of his tennis life, and he was almost as upset as the pavement touts left with sheaves of tickets for the nightmare semi-finals.

THE INDEPENDENT CROSSWORD

No. 3342, Friday 4 July

By Mass

Thursday's solution



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A S S O R T I O M A T R O N

ACROSS

- 1 Fourth of courses in set meal (6)
- 4 Financier's gambling hope (6)
- 10 "High Noon" - and how it was greeted? (3,2,3,7)
- 11 Modern partygoers losing head in States (5)
- 12 In short spell eccentric has house-trained elephant (9)
- 13 Agree with Party (on trade) (6)
- 15 Girl from Italy jammed in English byway (6)
- 16 Lean after very large port (6)
- 18 Soogs of praise from past ages, vocalised (6)

- 21 Simply quixotic, say? True, about the Span-ish (9)
- 22 Complain, finding pound short in measure (5)
- 23 Quite without meaning (15)
- 24 Those that bore with promises, it's said (6)
- 25 Trump in file, with third of brigade absent (6)

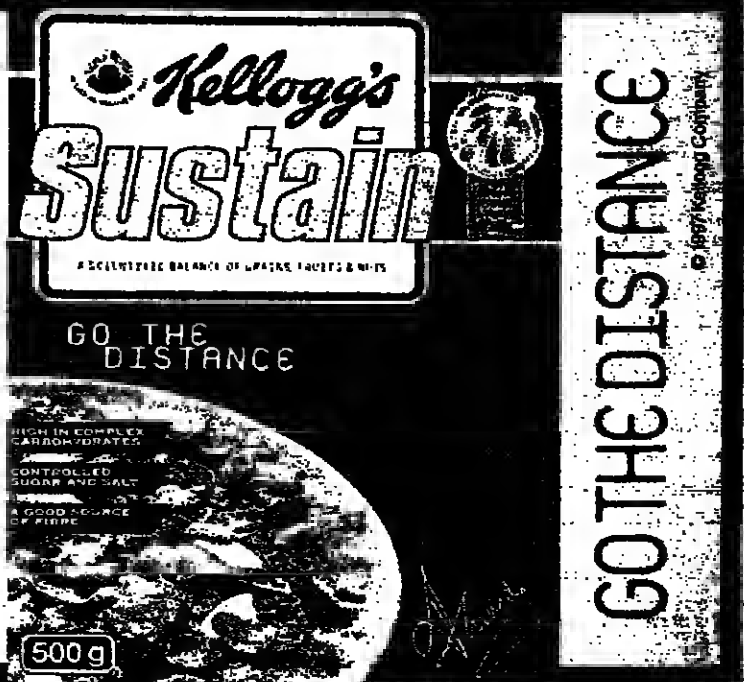
DOWN

- 1 Little girl? Boy? This is the way to tell! (6)
- 2 A French gathering without group of Deputies is undistinguished (15)
- 3 Hits, these bands (5)

- 5 One turned up metal tool in conveyance (9)
- 6 Part origins of New Jersey? (8-7)
- 7 See mounting storm, way out (6)
- 8 Always ready to talk about Henrietta (6)
- 9 Mixed spirit with flowing water up North (6)
- 14 Here, HM is best (9)
- 17 Changing one's colours - reportedly going West (6)
- 18 Deposits making bark curl and go wroog (4,2)
- 19 Gap for Union Canal, after blasting (6)
- 20 He keeps on giving check with Queen (6)
- 22 Boy on home turn in game (5)



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